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10 MARCH 1988



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# ***JPRS Report***

## **East Asia**

### ***Southeast Asia***

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# East Asia Southeast Asia

JPRS-SEA-88-015

## CONTENTS

10 MARCH 1988

### BURMA

- Burmese Army Plans To 'Crush' Kachin Insurgents [*Hla Kyi; THE NATION, 4 Feb 88*] ..... 1

### FIJI

- Restrictions on Foreign Journalists Announced ..... 2  
'Threat' to Country's Recovery Discussed [*David Robie; POST COURIER, 5 Feb 88*] ..... 2

### INDONESIA

- Australian DCM Criticizes Ban on Australian Newsmen [*PNG POST-COURIER, 3 Feb 88*] ..... 4  
Parliament Speaker Receives Thai MPs ..... 4  
New Export Credit Regulations Announced ..... 4  
Shell To Step Up Prospecting Activity ..... 5  
Minister on Disposal of Neglected Transmigrant Houses ..... 5  
Southeast Sulawesi Requests Transmigrants ..... 5  
Motivation for Ethnic Chinese Conversion to Islam Explained ..... 5  
PDI Faction in MPR Criticized by Members ..... 6  
Dissident Group Warns on Soldiership Bill [*PNG POST-COURIER, 8 Feb 88*] ..... 7  
No Price Hike for Domestic Fuel Oil ..... 7

### KAMPUCHEA

#### PEOPLE'S REPUBLIC OF KAMPUCHEA

- Hun Sen Address on Talks With Sihanouk [*Phnom Penh SPK, 1 Feb 88*] ..... 8

### LAOS

- World Bank Loan Agreement Signed ..... 10  
GDR-Aided Handicrafts Unit Funding, Productivity ..... 10  
Swedish Funds Aid in Asphaltting of Route 13 ..... 10  
Saravane, Xekong Local Forces Smashing Anti-SRV Guerrillas Described ..... 10  
Luang Prabang Trade Problems, Totals Reported ..... 11  
Vientiane District Road Construction ..... 12

### MALAYSIA

- Minister Declares Claim on Spratly Islands ..... 13  
Increase in Natural Gas Usage Anticipated ..... 13  
Oil Biodegradation Study Completed ..... 14

### PAPUA NEW GUINEA

- PRC Farming Projects Recommended ..... 16  
Canberra Rejects Criticism of New Defense Clause ..... 16

### THAILAND

- MP's To Ask U.S. Collector To Return Art Treasure ..... 17  
Advertisements Allege U.S. Role in Lintel Removal ..... 17  
BANGKOK POST Cautions Against Emotionalism in Lintel Issue ..... 17  
SIAM RAT Questions U.S. Envoy's Stand ..... 18

Economic Ties With SRV Increasing .....	18
Joint Fishing Venture With SRV First in 13 Years .....	19
Commerce Chief Urges Joint Ventures With '4 Tigers' .....	21
Deficit Reduction Plans Announced .....	21
Inflation Rate Predicted .....	22
Year-End Poll Surveys Political, Economic, Social Views .....	22

## VIETNAM

### POLITICAL

Value of Soviet Experience to Renovation Campaign Discussed .....	25
---	----

### ECONOMIC

Soviet Cooperation in Construction .....	27
Fourth Planning Session Held .....	27
USSR Provides Materials .....	28
Cooperation With USSR in Coal Industry, Electric Power Reported [ <i>Nguyen Duc Tri; TAP CHI HOAT DONG KHOA HOC, Nov 87</i> ] .....	28
Export of Shoes to USSR .....	29
Industrial Projects Planned With Spanish Cooperation [ <i>TIEMPO, 18 Jan 88</i> ] .....	30
Agricultural Minister Outlines 1987 Achievements, 1988 Goals .....	30
Illegal Trade Activities Reported in Hanoi .....	32
Hanoi Port Surpasses Cargo Handling Plan .....	33
Cement Production, Precious Metals Sales Advance .....	33
Ha Son Binh Phosphorite Increases Crop Yields .....	34
Nghia Binh Brick, Tile Enterprise Fulfills Production Requirements .....	34

**Burmese Army Plans To 'Crush' Kachin Insurgents**

42000251 Bangkok *THE NATION* in English  
4 Feb 88 p 5

[Article by Hla Kyi of Reuter, passages in italics as published: "Burmese Army Poised To Crush Kachin Insurgents"]

[Text] Myitkyina, Burma—The Burmese army says it has jade-smuggling Kachin rebels on the run in the rugged northern mountains and is preparing to crush one of the country's most persistent insurgencies.

Military officials told diplomats and reporters brought to this remote northern town 40 kilometres from the Chinese border last week that the Kachin Independence Army had been deprived of base camps and reduced to hit-and-run attacks.

"The *Tatmadaw* (Burmese National Army) is carrying out operations to flush out the KIA insurgents and we are sure to annihilate them as the Kachin people are on our side," said armed services intelligence chief Colonel Khin Nyunt.

The KIA has traditionally relied on smuggling jade and gold found on its territory to pay for arms and food but international narcotics experts say it has recently expanded its production of opium, the raw material of heroin.

Khin Nyunt said an army offensive begun last May destroyed a KIA base camp at Pajao near the Chinese frontier and 13 other camps.

As a result, he said, the rebels had to resort to "hit-and-run tactics, sabotaging railways and buildings and planting mines in public places."

It was a rare admission that the KIA, or any other group, had carried out such attacks, which usually go unreported in the official media in this tightly controlled state.

The KIA, formed in 1961, is one of about a dozen insurgency groups that control large areas around Burma's borders. Most seek greater autonomy for various ethnic groups.

The present military-led administration under General Ne Win refuses to negotiate with the rebels, many of whom have been fighting Rangoon since independence from Britain in 1948.

The Kachin people inhabit the northernmost corner of Burma, a mountainous area of rain and forests where the country's lifeline, the Irrawaddy River, rises.

Since 1976 the largely Christian KIA has cooperated with the Burmese Communist Party, which operates to the south-east, and with about 10 ethnic groups linked in the national democratic front.

Khin Nyunt accused KIA Chairman Breng Seng, former principal of a Baptist high school in Myitkyina, of fleeing the country after last spring's offensive and engaging in a campaign of "fabrications, slanders and malicious propaganda" abroad.

In an interview published in the Bangkok daily *The Nation* earlier this month, Breng Seng said he had explained the cause of the Kachin people during a tour of Japan and Western Europe.

"The world is finally waking up to the atrocious situation in Burma," he was quoted as saying.

Breng Seng is one of the most villified of the Burmese government's internal enemies. The Rangoon *Working People's Daily* newspaper described him as "a devil incarnate."

"He is both inwardly and outwardly rotten. He is evil. He is against the people," it said.

Khin Nyunt said the KIA, which claims to have up to 10,000 armed men, had been reduced to about 4,000 men last year. He accused them of torturing and murdering local people as they tried to bolster their numbers and secure money and supplies.

Taken under heavy armed guard on a rare visit to a smaller town in the area, Nahpaw, the diplomats and journalists were told by General Kyaw Ba, commander of Burma's northern army, that the KIA were increasingly demoralized.

"They are trying to organize smaller groups under their control by force," he said.

He said the group was turning increasingly to heroin production and cited the case of an insurgent captured last October carrying five kilogrammes of heroin, indicating the KIA was also involved in refining raw opium.

The army had destroyed 250 acres of opium poppy being cultivated by the KIA, he said.

At Nahpaw, a Kachin village elder backed up the position being hammered home by Rangoon army spokesmen, who explained the trip was organized to counter Breng Seng's propaganda.

/09599



**Restrictions on Foreign Journalists Announced**  
42000239c Suva *THE FIJI TIMES* in English  
5 Feb 88 p 1

[Text] Restrictions have been placed on foreign journalists wishing to cover assignments in Fiji.

They now have to apply through Fiji missions overseas to work here or in cases where no missions exists, to apply to the Minister of Information in Suva.

Journalists making applications will be required to furnish a letter from their editors or general managers authorising the visit, furnish media accreditation and work programme.

The Fiji mission receiving the application will check out the authenticity of the application, and send copies of all documents to the Director of Information Suva who will be the recommending authority.

The ministry will then consult with the Ministry of Home Affairs and notify the Fiji mission of the decision.

The missions will issue visas to successful candidates.

A Ministry of Information statement yesterday said journalists may come into the country on a visitor's permit and "short circuit" the process but would not be allowed to work until they received approval.

In the past, journalists could enter the country, get a visitor's permit from Immigration Department at the point of arrival and work here for 14 days.

The new measures had been necessitated partly because of the number of people who had come into the country in the past posing as journalists, the ministry said.

"After cross-checking, it was found that some who claimed to be journalists were not, or were not authorised by media organisations they claimed to represent here," it said.

The new measures had also arisen out of the recognition of the international principle of reciprocity, it said.

Fiji journalists travelling to Australia, New Zealand or to the United States of America had to obtain visas first before they could go to those countries, whereas journalists from these countries had only to turn up at Nadi Airport and obtain a visa to enter Fiji, the Ministry of Information said.

**'Threat' to Country's Recovery Discussed**  
42000250 Port Moresby *POST COURIER* in English  
5 Feb 88 p 26

[Article by David Robie, passage in italics as published: "A Threat To Fiji's Recovery"]

[Text] Fiji's Taukei Movement, the rightwing indigenous group which backed the military in staging two coups de tat last year, has launched a campaign to scuttle the caretaker republican government. The movement, whose acts of civil disobedience led to the ousting of Dr Timoci Bavadra's newly-elected government last May, has shunned an appeal by one of its founders to drop its activism.

It is now trying to get the administration of interim Prime Minister Ratu Sir Kamisese Mara sacked.

Mara's government was appointed in December by army commander Brigadier Sitiveni Rabuka, but the military strongman is still the real power in the country.

Taukei demands to oust the government followed widespread outrage over the cold-blooded shooting of a Fijian nightclub bouncer in mid-January by soldiers who claimed he was a thief.

It was the second killing by the military—earlier a drunken soldier clubbed an Indian to death with his pistol.

By decree, Fiji security forces have immunity from murder or manslaughter charges while carrying out their "law and order" role. Fiji's independent judiciary was scrapped after a republic was declared.

Lieutenant-Colonel Livai Nasilivata, one of six plotters who founded the Taukei Movement last April, publicly appealed to hardliners not to upset the fragile constitutional truce. While warning indigenous dissidents against underground attempts to oust the new regime he exposed a bitter behind-the-scenes struggle.

Since the second coup on September 25 conflict has steadily grown between Rabuka and the Taukei radical faction led by former British Army sergeant-major Ratu Meli Vesikula. By early December the military commander was losing control.

He abdicated in favor of chiefly politicians Ratu Sir Penia Ganilau and Mara, as President and Prime Minister respectively of the fledgling republic, rather than be outfoxed by Vesikula's supporters.

The caretaker government is in effect a joint administration of the military and Mara's Fijian-dominated Alliance Party. But the dumping of Taukei hardliners who had held key portfolios in the military regime from Mara's government forced the struggle into the open and split the movement.

The feud has fragmented indigenous Fijian political groups and the radical Taukei have now joined forces with former Lands Minister Sakeasi Butadroka's Fiji Nationalist Party under the banner of a new political party the Fijian United Front. An anti-Indian demagogue, Butadroka has been rapidly gaining popularity by correcting land injustices created by the former Alliance Party government.

One Taukei leader threatened to embarrass the Mara government by exposing corruption scandals if the administration did not honor the Taukei demands over a new constitution enshrining Fijian supremacy.

The volatile situation was complicated further when the militants approached Bavadra's Fiji Labor Party-led coalition to join them in an attempt to oust Mara. Bavadra rejected the bizarre move.

Reviving speculation over a conspiracy by the traditional eastern Tovata confederacy to seize back power under the guise of the military coups, Tovata leaders of the Taukei have broken with the movement and pledged allegiance to the President and Prime Minister.

Methodist clergyman Rev Tomasi Raikivi, Information Minister in the military regime, led a group of about 100 to Government House to offer support to Mara. They sought "forgiveness" for insulting and abusing Ganilau during a Great Council of Chiefs meeting in July. Vesikula denounced the delegation, saying Taukei did not support any decision outside the mandate of the Great Council.

Mara has blunted accusations that his government would be dominated by people from his Tovata confederacy by choosing a relatively balanced cabinet.

Out of 21 ministers, 13 are directly associated with the Alliance Party (including two of six Taukei leaders), and four are top army officers. Of the 17 indigenous ministers two others are Indian and two general electors—six are from the Tovata, six from the Burebasaga and five from the Kubuna confederacies.

Meanwhile, recent car crashes have killed two vital Fijian leaders. Their loss will have far-reaching consequences for Fiji's future. The death of former Deputy Prime Minister Ratu David Toganivalu has left 67-year-old Mara without an heir apparent. Toganivalu distanced himself from the military regime and was expected to emerge as a "clean" compromise leader when and if democracy is restored.

He was one of two deputy prime ministers appointed by Mara before the Alliance government was defeated by Bavadra in the April election. The other, Moses Qionibaravi, died of a liver ailment in September.

Senator Jona Qio, the only Taukei leader credited with a chance of challenging western support for Bavadra and rallying westerners behind the Mara regime, also died in a car accident in December. He was facing charges of arson while trying to depose Bavadra.

The series of deaths is being regarded by many superstitious Fijians who were unhappy with the coups—claimed by some leaders to be "God's will"—as a sign that the military regime faces divine retribution. *GEMINI NEWS*

/09599

**Australian DCM Criticizes Ban on Australian Newsmen**

42000249a Port Moresby PNG POST-COURIER in English 3 Feb 88 p 3

[Text] Jogjakarta, Indonesia—Soured relations between Indonesia and Australia would improve more quickly if Jakarta lifted its ban on Australian journalists, a senior Australian diplomat to Indonesia said yesterday.

"More could be added to the relationship if Australian journalists were allowed back here," Miles Kupa, deputy chief of mission at the Australian embassy told a seminar on Australian-Indonesian relations.

"It is difficult for tourists to learn about Indonesia and for businessmen to be informed about economic opportunities if our journalists are not allowed to come here," he said in an address on Monday to students of Gajah Mada University in the central Java city of Jogjakarta.

But Hasjim Djalal, head of the research department at the Indonesian ministry of foreign affairs, criticised the Australian media and said they were only interested in reporting bad things about Indonesia.

He said Asian countries worked on the principle of good neighbourliness: "If we can't find anything good to say about our neighbour, we don't say anything."

But, Djalal said, the Australian press did the opposite: "They work on the principle of finding something bad about your neighbours, and if you can't find something bad, don't write anything."

Australian journalists were banned from Indonesia in 1986 after the Sydney MORNING HERALD compared corruption in Indonesia with the situation in the Philippines before the fall of President Ferdinand Marcos.

/06662

**Parliament Speaker Receives Thai MPs**

42000237g Jakarta ANTARA NEWS BULLETIN in English 2 Feb 88 p A1

[Text] Jakarta, 2 Feb (ANTARA)—Indonesia's House Speaker Kharls Suhud and a Thai parliamentary delegation discussed economic and parliamentary cooperation here Monday.

The Thai delegation, led by Boonchu Rojanastein, hoped Indonesia and Thailand could immediately set up a parliamentary cooperation because Indonesia had already built such a cooperation with Australia, West Germany and France.

/9274

**New Export Credit Regulations Announced**

42130039d Jakarta SINAR PEMBARUAN in Indonesian 28 Nov 87 pp 1, 12

[Text] Beginning 1 December 1987 the Bank of Indonesia will put into effect new export of credit provisions. The export credit in question is the working capital credit give to holders of Exporter Identification Numbers [APE], or Temporary Exporter Identification Numbers [APES] to finance activities in gathering and producing goods for exports.

This was contained in a Bank of Indonesia circular issued Friday, 27 November 1987. It was explained that the credit can be extended by all foreign exchange banks as well as by other banks and non-banking financial institutions which have been individually appointed by the Bank of Indonesia.

Upon issuance of this credit, the exporter is levied a commission amounting to 0.5 percent of the credit ceiling. This commission is levied at the time of signing the credit agreement, extending the time of the credit terms, and increasing the credit ceiling.

The Bank of Indonesia is offering liquid credit to those granting the export credit. The amount of liquid credit, interest, and other conditions are set forth in the Bank of Indonesia's circular.

The liquid credit commission, 01 percent of the liquid credit ceiling that is approved each fiscal year, whereas the liquid credit commission is levied at the time of approval for the credit ceiling and at the time of approval for increasing the credit ceiling.

Consideration for the issuance of the new directive of the export credit regulation was to promote non-oil and non-gas exports. Therefore it is necessary to increase efficiency and effectiveness in using the existing funds.

Another consideration was that Indonesia accepted the Code on Subsidies and Countervailing duties within the GATT framework on 4 March 1985, so there needed to be a restructuring in the method of regulating matters related to export subsidies, and a reconciliation of the export credit regulations set forth in the directive from the management of the Bank of Indonesia.

Regarding the amount of the export credit, the Bank of Indonesia explained that the maximum of 85 percent of the 1-year export plan based on the FOB price will be divided by the yearly "turnover." For example, if there are three turnovers, the product from multiplying the export plan by 85 percent is divided by three. The final figure would be the amount of export of credit that can be extended.

13003/12232

**Shell To Step Up Prospecting Activity**  
42000237h Jakarta ANTARA NEWS BULLETIN in  
English 2 Feb 88 p A1

[Text] Jakarta, 2 Feb (ANTARA)—The Dutch's Shell Oil Company is currently having talks with the state-run oil company Pertamina on the possibility of intensifying its oil prospecting activities in Indonesia, Jean M. Hubert van Engelshoven, managing director of the Royal Dutch Shell Group, said here Monday.

Speaking to newsmen after paying a courtesy call on President Soeharto at Bina Graha presidential office, he further said that his side would try to intensify its oil exploration in the country.

Abdul Rachman Ramly, President Director of Pertamina, who accompanied van Engelshoven during the call, said that he was unable to give a detailed explanation on the Shell's plan as the discussions were still underway.

Shell has a production-sharing contract with Pertamina for oil explorations in Jambi, South Kalimantan and South Sulawesi.

Meanwhile, Shell representative in Indonesia, G. W. Verspyck, said that his side was currently making seismic tests in the Jambi block.

He went on to say that Shell had a plan to make exploration drillings in the Jambi block this year at a cost of about four to six million US dollars per oil well. In addition, he added, seismic tests in Asam-Asam block in South Kalimantan were expected to start later this year.

/9274

**Minister on Disposal of Neglected Transmigrant Houses**  
42000237i Jakarta ANTARA NEWS BULLETIN in  
English 4 Feb 88 pp A2, A3

[Text] Jakarta, 4 Feb (ANTARA)—Transmigration Minister Martono has said that no transmigrant houses will be neglected in the upcoming fiscal year because the budget for the transmigration program has been increased.

In reply to a question before a limited cabinet meeting on economic, financial and industrial affairs here Wednesday Minister Martono said that the number of transmigrant houses to be left useless by the end of March might total 8,000.

All of the houses will be rehabilitated in the 1988/1989 fiscal year so that they can be occupied. "So, practically, all of the houses can be occupied and none of them will be scrapped," he said.

Minister Martono further said that there would be no new transmigration sites in the next fiscal year because the budget for the program would be used for the rehabilitation of neglected transmigrant houses and sites.

He was confident that the program would be successful, saying that the budget for transmigration had been increased by 56 percent.

He added that the development budget for the transmigration sector next year would amount to about Rp100 billion or one-fourth of the biggest budget ever given to the sector.

/9274

**Southeast Sulawesi Requests Transmigrants**  
42130039c Jakarta ANGKATAN BERSENJATA in  
Indonesian 26 Nov 87 p 6

[Text]

**18,000 Hectares of New Rice Fields Will Be Opened**

Doktorandus Djalante and the leadership of the Southeast Sulawesi Regional Government group which did a comparison study in West Nusa Tenggara (NTB) 15-20 November 1987, asked in a meeting with NTB Governor Gatot Suherman accompanied by NTB Regional Planning Development Board Chairman Drs Lalu Parke Mahardan and NTB Regional Government Public Relations Bureau Chief Drs Lalu Pugu Wirebhakati if NTB would be willing to send some of its transmigrants so Southeast Sulawesi.

This [request] takes into account that Southeast Sulawesi will open up 18,000 hectares of new rice fields by building dikes and the like for promoting the economy of the area. It is said that this extensive project will require about 60 billion rupiahs, including funds from outside the country.

Djalante, also chairman of the Southeast Sulawesi Regional Planning Development Board who headed the 15-member group, said that, even though the Southeast Sulawesi region is larger than NTB, it lacks the manpower to carry out the construction. Southeast Sulawesi's population is 1.5 million, whereas NTB's is 3.2 million.

13003/12232

**Motivation for Ethnic Chinese Conversion to Islam Explained**  
42130039a Jakarta MERDEKA in Indonesian  
23 Nov 87 p 3

[Text] Coordinating Minister for People's Welfare Alamsjah Ratu Perwira in Jakarta, Saturday, 22 November 1987, judged that ethnic Chinese who become Muslims are not economically motivated because it has been shown that Islam was actually the religion of their ancestors.

Alamsjah at the "Proselytizing Among the Ethnic Chinese" seminar in Sjarief Hidayatullah State Islamic Institute [IAIN], said that everyone has thought that initially all Chinese were Buddhist and that their lifestyle was marked by commerce.

"They changed to the religion of the colonizers at the time of colonization," said the coordinating minister.

The coordinating minister emphasized that history shows that Islam entered mainland China in the 7th Century A.D. at the same time it entered Indonesia.

This is shown by the existence of a Muslim admiral named Cheng Ho who roamed the Indonesian archipelago.

"Therefore," affirmed Alamsjah, "Islam was actually the religion of the ancestors of the ethnic Chinese."

An impact of a large number of ethnic Chinese becoming Muslims, according to Alamsjah, is that the exclusivity is decreasing and assimilation is occurring naturally.

Islamic proselytizing, according to the coordinating minister, functions very effectively in supporting all efforts aimed towards wholistic integration on the basis of equality, discussion, and cooperation.

Meanwhile, Chairman of Ukhuwah Islamiyah [Islamic Brotherhood] Institute of Jakarta, Drs H. Junus Jahya stated, in his paper entitled "Islamic Proselytizing Among the Chinese And Its Problems," that ethnic Chinese who enter the Islamic faith now are not exclusively comprised of groups from the lower economic classes but are also coming from intellectual groups and from among the youth.

He also said that the role of the new Muslims in terms of proselytizing is not too great. Missionary approaches to the ethnic Chinese are more effectively done by those who have been Muslims from generation to generation.

Those who have recently converted to Islam do not know very much yet about religious matters and are still in the process of learning. Therefore, non-Chinese Muslims play a very decisive role in attracting the ethnic Chinese.

Junus Jaha's opinion received a lot of responses. Some of the responses were that, because of ethnic reasons, it was difficult for non-Chinese segments of society to become a part of the social life and the culture society in any depth.

Therefore, effective proselytizing that will interest the Chinese community in studying Islam is missionary work carried out by the Chinese themselves.

A faculty member of the IAIN Sjarief Nidayatullah, Dr Aqib Suminto, commenting on the paper of Junus Jahja, suggested three activities to develop the Chinese Muslim community; assistance, caderization, and visits.

Assistance should be given to new Chinese Muslims who are in poor economic situations. Caderization is to promote the quality and quantity of missionaries among the Chinese. Meanwhile, the third approach, visits, is to ensure that the native Indonesian community will not be negatively prejudiced against efforts of religious organizations that are run by Chinese Muslims, said Dr Agib Suminto.

13003/12232

#### **PDI Faction in MPR Criticized by Members**

42130039b Jakarta MERDEKA in Indonesian  
24 Nov 87 pp 1, 11

[Text] The opinion of a Democratic Party of Indonesia (PDI) faction in the MPR [People's Consultative Assembly], particularly that which was conveyed through the MPR Working Committee forum, constituted personal opinions of certain members, and therefore was not a reflection of the voice of the faction as a whole. This was caused by the faction's working system which fails to demonstrate the principles of unity.

Such was the statement signed by 17 PDI faction members in the MPR in its letter to the PDI Central Executive Council dated 18 November 1987. Jusuf Merukh, Maroesi, Thaib Ali, Achmad Subagyo, IGN Yudha, Edi Djunaedi, Dudy Singadilaga, Noer Husein, and Abdul Djafar were among those who signed the letter.

In the letter it was brought out that there is a tendency for PDI members not to feel it necessary that each item or thought in the MPR faction be discussed as a faction, and that discussion by certain individual members is sufficient.

"In line with this, items and thoughts coming out [from the faction] as party thinking and documents are suspect in their integrity and authority," said the statement.

According to the signatories, an effect of the faction's working system not being open enough may restrict input from the membership. Another more far reaching effect is that the thinking of the MPR cannot be relied upon, such as in the case involving religious education.

"At one time," they said "PDI faction members in the MPR Executive Committee thought that religious education did not need to be given through formal education in schools, but that through the family or religious organizations would be sufficient."

This naturally invited a response from the members. Because the PDI, since being established 10 January 1973, has set guidelines based on article 29 of the 1945



constitution for encouraging religious education as an inseparable part of improving the quality of life, and for inserting religious education into the curriculum of schools and institutes of higher education.

Regarding the religious education question, the PDI is oriented to the best interests of the people, namely, the need for them to enjoy as broad an education as possible. The growth of the education fund each year must be commensurate with this need.

The signers reiterated the need to strengthen the will of the PDI functionaries on the MPR Executive Committee because there is an evident lack of commitment to work for congressional decisions that really constitute a human source of inspiration. Because the congress is the highest party forum, all its decisions need to be safeguarded and implemented as much as possible.

The statement was signed out of feelings of joint responsibility to see that each product coming out of the faction reflects the democratic aspirations and the soul and spirit of the faction as a whole.

13003/12232

**Dissident Group Warns on Soldiership Bill**  
*42000249b Port Moresby PNG POST-COURIER in English 8 Feb 88 p 8*

[Text] Jakarta: A group of leading Indonesian dissidents, including prominent retired generals, on Saturday warned that the military could gain overriding power if a Government Bill before parliament is endorsed.

The Group of 50 dissident organisation, in a letter to parliament, charged that the contents of the Bill ran counter to the constitution as it effectively gave the commander of Indonesian Armed Forces (ABRI) stronger powers than the president.

Earlier this week Oka Mahendra, deputy of the ruling Golkar faction of parliament, was quoted as saying that the faction had similar queries about the Bill.

Mahendra was quoted by the respected weekly TEMPO as saying Golkar had demanded that an existing clause in the Bill be expanded by a second clause. It specifically outlines the practical application of the fact that the president holds Supreme Command of the Armed Forces, including a clear explanation of the line of command.

"The position of the president as the holder of the highest power in Government (as stated in the constitution) will be brushed aside," the dissidents said in the letter, a copy of which was made available to AGENCE FRANCE PRESSE.

"The essence and meaning of people's sovereignty in carrying out state affairs could then be easily brushed aside by ABRI's sovereignty," it added.

Members of parliament, which is dominated by the Golkar and includes ABRI members, have said they hoped to endorse the Bill on ABRI Soldiership on February 22 and for the law to become effective on March 1.

The Group of 50 is comprised of retired generals, intellectuals and religious figures, many of them elderly, critical of the policies of the Government of President Suharto, himself a former army general.

/06662

**No Price Hike for Domestic Fuel Oil**  
*42130039e Jakarta PELITA in Indonesian 26 Nov 87 pp 1, 12*

[Text] Domestic fuel oil subsidies for fiscal year 1987/1988 have been estimated to be 390 billion rupiahs, due to increases in production in costs. But this does not mean that there will be any fuel oil price hikes because it is thought that the subsidy will be offset by revenues from non-oil and non-natural gas sectors—particularly tax revenues.

This was the conclusion of Committee IV of the Indonesian Parliament, according to Chairman Soenarjo Haddade after the working meeting yesterday (25 November 87) with the minister of Mining and Energy, Professor Subroto in Jakarta.

"The fundamental question is whether we can still tolerate this subsidy," Soenarjo reiterated. "In 1986 there was no BBM subsidy; we even recorded a net profit from oil sales."

Previously, Minister Subroto had stated that the price of oil had been set assuming \$15 per barrel, making a net profit a possibility in 1987/1988. But, in actuality, Pertamina had to purchase crude oil at high prices, \$17.80 per barrel. He said that this caused an increase in BBM production costs, which used up the net profit to the extent that in the first semester of 1987/1988 the subsidy had grown to 195 billion rupiahs.

"The size of the fuel oil subsidy for the second semester of 1987/1988 will depend on the price during the fourth quarter in 1987 and the first quarter in 1988," said the minister.

Government revenues coming in from fuel oil sales constituted net profits of 825 billion rupiahs for fiscal year 1986/1987, whereas for fiscal year 1984/1985, 1985/1986 and for the first semester of 1987/1988 there were no fuel oil sales revenues. Oil price estimates for drawing up the 1988/1989 draft budget are still being calculated at the Department of Finance.

13003/12232

## PEOPLE'S REPUBLIC OF KAMPUCHEA

**Hun Sen Address on Talks With Sihanouk**  
*BK011031 Phnom Penh SPK in French*  
0444 GMT 1 Feb 88

[Text] Phnom Penh, 1 Feb (SPK)—Dissolution of the PRK before general elections is not a correct course for a political solution to the Cambodian problem in which all parties must make concessions to find an acceptable solution together.

This was what Hun Sen, member of the KPRP Central Committee Political Bureau and chairman of the Council of Ministers, said in a message addressed last Saturday [30 January] to his compatriots after he returned from his second meeting with Prince Norodom Sihanouk.

For us, he said, dissolving the PRK would easily work in favor of the return of the Khmer opposition forces, including the Pol Potists, who have not succeeded in controlling even a single square foot of Cambodian territory in the past 9 years despite their intensive efforts in the political, military, and diplomatic fields. On our side, we have made great efforts to defend our fatherland, and have maintained a firm control in all of the territory through the establishment of people's powers.

Hun Sen stressed that during his second meeting he discussed five questions with Prince Sihanouk: a timetable for the withdrawal of Vietnamese troops from Cambodia; elimination of the Pol Pot forces—an important instrument for the return of a genocidal regime in Cambodia—and cessation of all foreign interference in the internal affairs of Cambodia as well as cessation of the use of the territory of Thailand and its assistance for the reactionary Khmer forces opposing the Cambodian people; establishment of a coalition government; the future political system in Cambodia; principles for an independent, neutral, and nonaligned Cambodia; and international guarantee and control.

On the first question, Hun Sen said that the total withdrawal of the Vietnamese volunteer army from Cambodia must occur at the same time as the guarantee for the non-return of the genocidal regime and the cessation of foreign interference in Cambodia's internal affairs.

On the second question, concerning the formation of a coalition government, Hun Sen stressed that the two sides agreed on the need to form a coalition government in Cambodia with several political parties. However, he affirmed, the two sides did not reach an agreement on when this government would be formed. Prince Sihanouk recommended formation of this government before general elections while dismantling the PRK as well as Democratic Kampuchea. The PRK side held that the coalition government must be formed after general elections due to the fact that the PRK was founded by

elections with the participation of the Cambodian people and only the Cambodian people themselves have the right to dissolve this regime.

Moreover, the dissolution of the PRK might create conditions favorable to the return of the Pol Potists for another massacre of the Cambodian people, and a coalition government might not be able to ensure security and social order during the National Assembly elections and the preparation of a new constitution.

Therefore, if this coalition government were created before the general elections it would be unfair and unreasonable because we, who have everything, would have to give it up and the other side, which has nothing, will get everything. This would create opportunities in the future for the latter's return to Cambodia and for the establishment in Cambodia of its political and military regime, something it has failed to realize in the past 9 years despite its efforts in the political, military, and diplomatic fields.

In order to be fair and reasonable, we put forward a formula, that is, to maintain the present status quo in Cambodia and form an election committee to organize National Assembly elections, which will elaborate a new constitution defining a political regime for the Cambodian state and take care of the formation of a coalition government. Such a process will ensure equality and guarantee the right to self-determination of the Cambodian people. We are determined to respect the reelection.

On Cambodia's future political system, the two sides were of the same view that it is the Cambodian people who will decide the country's future political system. We think that only the Cambodian people themselves have the right to choose a political system conforming to their aspirations and to their specific characteristics. The decision of the Cambodian people is made through elections of representatives to the National Assembly, which will adopt a constitution on the Cambodian political system.

Regarding the principles for an independent, neutral, and nonaligned Cambodia, the two sides have a perfect identity of view. Both held that neutrality and nonalignment would not permit us to associate ourselves with any military bloc, nor would they permit installation of any foreign military bases or forces in Cambodia. The territory of Cambodia must not be used as a base to commit aggression against any country and vice versa, the territory of another country must not be used to oppose Cambodia. Cambodia must not interfere in the internal affairs of other countries and the latter must not interfere in the internal affairs of Cambodia. Cambodia will establish friendly relations with all countries, regardless of their political system, and will support peaceful solutions to all international conflicts.

On the last question, Hun Sen said:

"The two sides discussed the need for holding an international conference outside the framework of the United Nations in order to guarantee implementation of the agreements that have been reached. They agreed that there should be an international control commission

organized by the international conference or by the Cambodian parties with the participation of many countries. The PRK side, in agreement with Prince Sihanouk's side, asked India to be the president of this commission."



**World Bank Loan Agreement Signed**

42060029d Vientiane PASASON in Lao 31 Dec 87 p 1

[Unattributed report: "World Bank Loan To Build the South"]

[Text] On 18 December at the World Bank in Washington, Mr Don Somvalasit, the Lao deputy ambassador to the United States, participated in a ceremony to sign a loan agreement with the World Bank to develop the country (E.D.R). The money will be used to repair roads in the south. The loan is for a total of \$14.1 million. The agreement was also signed by Mr Ati Rakkarao Manolu, the deputy chairman of the Asia-Pacific Group. Witnesses included Mr Kingkham Vongsai, the deputy director of the Asia-Pacific Group, and a number of embassy and World Bank officials.

11943

**GDR-Aided Handicrafts Unit Funding, Productivity**

42060029c Vientiane PASASON in Lao 31 Dec 87 p 2

[Article by Soen Diyavong: "Lao-GDR Friendship Handicrafts Plant in Paksong Makes Progress"]

[Excerpts] The Paksong District Handicrafts Plant in Champassak Province is one of the plants that was established through the fraternal cooperation of the parties, governments, and peoples of Laos and the German Democratic Republic.

This plant is located approximately 1 km southeast of the Paksong district seat. It is composed of five steel buildings with cement floors. Three of the buildings are workshops, one is used for storage, and one is used to house the generator. Construction on the plant began on 15 February 1985 and was completed on 5 December 1985. Construction was carried on under the guidance of technical specialists from the GDR. Altogether, construction cost 16,352,129 kip.

This plant went into production in December 1986 after the workers were given occupational training. The workers underwent a full year of work-study. They were trained by the GDR specialists (sewing was taught by a Lao). By June 1987, the plant had produced various items such as cabinets, beds, tables, chairs, buckets, pitchers, hinges, door bolts, locks, clothing, and shovels and repaired various items. Altogether, the value of production was 3,649,852 kip.

At the recent Second Congress of the Paksong Trade Union Administrative Committee, Mr Bounsi, the head of the administrative committee and the secretary of the plant's trade union base, reported that since the unit was transformed into a state enterprise, the workers in the three sections have diligently carried out their tasks and

resolutely conserved raw materials. The plant has earned revenues totaling 1,395,470 kip. Today, salaries are double what they were 4 months ago.

Today, the cadres and workers at this plant are carrying out their duties and producing goods to serve society. The work is being carried on in accord with the annual plan. From now until end of 1990, the plan is to produce goods worth 44 million kip.

11943

**Swedish Funds Aid in Asphaltting of Route 13**

42060029f Vientiane PASASON in Lao 16 Jan 88 p 1

[Unattributed report: "Asphaltting of Route 13 from Vientiane to Tha Bok Has Begun"]

[Text] Southern Highway Construction Company 13 has begun asphaltting the southern section of Route 13 from Kilometer 18 in Vientiane Province to Nam Krading. This work began on the morning of 14 January.

Mr Unhuang Vilaiphon, the head of this company, said that this project has received 63 million crowns, or more than \$10 million, in aid from the Swedish government. Two layers of asphalt, 6-8 meters wide, will be laid. The road will be constructed in two stages. During the first stage, 77 km will be constructed from Kilometer 18 to Tha Bok. This section will be finished in 1990. During this stage, three bridges will be constructed, that is, the Lao Kha, Hu, and Phang bridges. Pipelines will be laid in several places. In order to ensure that the road meets the standards, the company has increased the thickness of the road 80-100 cm. The construction cost is 6 million kip per km. After construction has been completed, the road will last for 15-20 years. As for the second stage, the road will be asphalted from Tha Bok to Nam Krading, a distance of 105 km. This project will be completed by 1995.

Mr Unhuang Vilaiphon said that difficulties have been encountered because Thailand has prevented the equipment provided by Sweden from reaching Laos. However, the company has obtained equipment on its own and requested help from other companies. As a result, the work has proceeded as planned.

11943

**Saravane, Xekong Local Forces Smashing Anti-SRV Guerrillas Described**

42060029a Vientiane PASASON in Lao 20 Jan 88 p 2

[Unattributed report: "The Tradition of Brave Struggle of the Soldiers and People of Saravane and Xekong Provinces"]

[Excerpt] Saravane and Xekong provinces are remote southern provinces. Many different ethnic groups live here. The people in these two provinces have a long

tradition of struggle. Ongkao Kammadam fought against the French colonialists. Later on, after the party began leading the people in these provinces, this tradition of struggle grew even stronger. The people here stood shoulder to shoulder with the people of the entire country in completely defeating the American imperialists and their lackeys and liberating the country.

During the new phase of the revolution, the people in these two provinces have increased their revolutionary zeal by carrying out two strategic tasks, that is, defending the country and gradually building a more prosperous country. At the same time, they have constantly remained on the alert in order to suppress those enemies who want to stir up trouble and disrupt the peace. One of the outstanding achievements in defending the country was scored by the local forces and people in these two provinces at a time of peace. Operations were carried on to suppress 200 Vietnamese, Lao, and Cambodian reactionaries led by Hoang Co Minh, a former rear admiral in the Saigon regime and the chairman of the organization called the National United Front for the Liberation of Vietnam, which was established in July-August 1978.

Hoang Co Minh's plan was to infiltrate Vietnam in the hope of staging a revolution in Vietnam. Once in Vietnam, he planned to establish a strategic area in Gia Lai-Cong Tum Province in Vietnam and Attopeu Province in Laos. This group had its own national flag inscribed with the words "Build a New Vietnam." This group was divided into three companies. The first company was called the Anh Dung Company, No 7684. The second company was the Gai Gac Company, No 7686. The third was called the Bac Bi Company, No 7687. Members of this third company included Lao and Cambodian guerrillas. This company was responsible for protecting Rear Admiral Hoang Co Minh.

These forces had various pieces of equipment, including binoculars, cameras, radio transmitters, small video cassette players, "phomi" equipment, gold, a large sum of Thai money. They also had American weapons and weapons from international reactionaries. These included M-79s, M-72s, M-16s, AK-47s, and Sekasa weapons. Each person carried 10 national flags and 2 party flags. On 8 July 1987, they made preparations to leave their base at Phu Si Yaek in the Thai-Lao-Cambodian border area. On 11 July 1987, they moved out of this area. And at 1900 hours on 12 July, they crossed the Mekong River in three boats. They reached the other side at 2400 hours that day and made camp at Phu Mak Than in Lakhon Pheng District, Saravane Province. They remained there for 2 days in order to make plans. On 14 July, they moved to Phu Mak Bok in Lakhon Pheng District. That day, local forces and people of Saravane Province attacked them for the first time, killing four of them and wounding a number of others. During the period 15-30 July 1987, the soldiers and people of Saravane Province attacked them at Phu Tha

Man in Lakhon Pheng District and Phu Khi Khan and Phu Lak Kup in Toum Lan District. Tens of enemy soldiers were killed and many were captured.

The local forces, guerrillas, and people formulated a plan to completely destroy these enemy forces. The Operations Command formulated a plan to intercept these forces in Kaleum District, Saravane Province, and pursued these enemy forces. During the period 2-8 August, the local forces and people in Saravane Province coordinated things with guerrilla forces in Ta-oi District to ambush the enemy. Many tens of enemy soldiers were killed or wounded and six were captured. As a result of the action taken by the Lao forces and people, these Vietnamese guerrillas found themselves in dire straits. Many of them surrendered. The Lao guerrilla fled in fear. The hard-core guerrillas, including their leader, Hoang Co Minh, were surrounded by local forces and people from Saravane and Xekong provinces in Kaleum District during the period 11-29 August. They quickly weakened. They did not have any food and had to kill their own wounded in order to eat their livers, hearts, lungs, and intestines.

At 1400 hours on 29 August 1987, the local forces and people from Saravane and Xekong provinces completely smashed the remaining Vietnamese guerrillas. Former Rear Admiral Hoang Co Minh was killed in the fighting in Kaleum District. According to the report issued by the Operations Command, during the period of fighting, the local forces and people of Saravane and Xekong provinces suppressed more than 170 enemy soldiers. They killed 109 of these forces and captured 63 and seized a large number of weapons and military equipment.

11943

#### **Luang Prabang Trade Problems, Totals Reported** *42060029b Vientiane PASASON in Lao 31 Dec 87 p 2*

[Article by Siamphon Duangsamot: "Luang Prabang Trade Is Being Improved"]

[Excerpt] In the first 9 months of 1987, Luang Prabang Province exchanged and purchased a total of 213,214,000 kip worth of agricultural and forest products from the people. The items purchased included 16 tons and 400 kg of cardamom, 19 tons and 300 kg of benzoin, 256 tons and 600 kg of sesame seed, 8 tons of garlic, 5,890 tons of paddy, more than 2,000 small animals, and so on. The goods exchanged included 135,800 meters of cloth, 2,800 blankets, 7,700 kg of cotton thread, 74,750 sheets of galvanized iron, 800 mosquito nets, and other daily necessities. Agricultural implements included 295 hoes and axes, 284 plows, and so on. Besides this, the province also sold goods to Vientiane and exported items. This included more than 21 tons of cardamom, 29 tons of benzoin, 2,800 kg of resin, 7,600 kg of garlic, 3,200 kg of soybeans, and so on.

At present, commodity circulation in the localities is encountering many problems because of the lack of convenient communications routes. Transportation is very difficult, particularly during the rainy season. Thus, in order to improve trade in Luang Prabang Province and ensure more efficient transportation, since November the Provincial Trade Section has transformed the subsidized agricultural units into socialist businesses. These will distribute goods to the localities and purchase items from the people in a timely manner and in accord with the needs of the people in each

locality. This will stimulate production so that production grows continually. 11943

**Vientiane District Road Construction**

*42060029e Vientiane PASASON in Lao 31 Dec 87 p 1*

[photo caption]

[Text] To date, the Ban Don-Sanakham Road Construction Company of Vientiane Province has completed almost half the work on a road 154 km long. 11943

### Minister Declares Claim on Spratly Islands

BK241304 Kuala Lumpur RTM Television Network 1  
in Malay 1200 GMT 24 Feb 88

[Text] Malaysia categorically declares that the Spratly Islands and their surrounding forts are under its sovereignty. Deputy Foreign Minister Toh Muda Dr Abdullah Fadzil Che Wan said that the claim was based on a new global map approved in Geneva. He was commenting on reports that the PRC had officially laid a claim on the Spratly islands in the South China Sea.

[Begin Fadzil Che Wan recording in progress]...on the Spratly Islands and their surrounding forts are based on the following reasons. First, these islands belong to the Malaysian continental shelf and Malaysia's sovereignty over them is officially endorsed by a new Malaysian map published on 21 December 1979. The continental shelf claim is in line with the 1978 Geneva Convention, which stipulates a continental shelf boundary, and the UN Convention on the Law of the Sea. Second, the islands and its forts are under Malaysia's supervision and in the past, Malaysia once established its (naval) presence and sovereignty on these islands. Malaysia does not recognize any other countries' claim over these islands. At the same time, Malaysia also believes that those countries should take no action which may lead to tension and physical confrontation in this region. [end recording]

### Increase in Natural Gas Usage Anticipated

42130071a Kuala Lumpur UTUSAN MALAYSIA in  
Malay 6 Jan 88 p 11

[Article by Zaini Ujang, Malaysian Technological University]

[Text] On 1 June 1981 a new era in technological development in Malaysia began. Petronas [National Petroleum Company] set up a Project Management Team (PMT) to implement Phase I of the Peninsula Gas Usage Project [Penggunaan Gas Semenanjung—PGS].

This project, which has been completely and brilliantly successful, made it possible for natural gas produced in the offshore area of the State of Terengganu to be marketed domestically. The electricity generating station at Paka, the sponge iron plant at Teluk Kalung, and the Petronas housing area in Kertek have continued to be supplied with LNG [Liquified Natural Gas] through a pipeline from the distribution plant at Kerteh.

By hiring young and still inexperienced workers Petronas took a step further in undertaking Phase II of the PGS project. This project is intended to construct a pipeline to cover Peninsular Malaysia [West Malaysia]. It is calculated that this 130 kilometer long pipeline will be constructed out of 200,000 tons of 36 inch steel pipe. The pipeline will begin in Kemaman, Terengganu and will be extended to Segamat [Johor], where it will split into two branches: one going to Johor Baharu and the other to Klang and Port Dickson [Selangor]. Through the

two phases of this gigantic project, which will cost billions of Malaysian dollars, Malaysia is really going through a revolution in the use of energy based on petroleum products. Previously, the principal sources of energy came from the production of petroleum (not including natural gas), coal, coke, charcoal, firewood, and the residue of palm oil factories.

This major change from the point of view of the supply of the principal source of energy took place not only in Malaysia but also in Singapore, and Indonesia has joined in turning natural gas into a source of energy, particularly in heavy industries such as petrochemicals and steel.

Japan, the United States, and European countries are far more advanced in the use of natural gas, from supplying gas for homes to using gas in vehicles on the highways. In this connection Malaysia should make a more determined effort to use natural gas to the maximum extent possible. It should not merely depend on exports of natural gas. Malaysia is in 12th place in the world among countries having natural gas reserves.

The latest data from Petronas show that Malaysian natural gas reserves are estimated at 53 trillion cubic feet [Trillion Kaki Padu—TKP]. Of this total 43 trillion cubic feet consist of unassociated natural gas (this gas may be found separately from petroleum). The remainder consists of associated natural gas (gas which is found together with petroleum). On an energy equivalent basis 53 trillion cubic feet of natural gas are equivalent to 9 billion tons of petroleum. This shows that natural gas reserves in Malaysia are three times larger than petroleum reserves from the point of view of their capacity for supplying energy.

According to the Fifth Malaysian Development Plan, production of natural gas, either associated or unassociated with petroleum, has increased by 38.7 percent, from 258 million "standard" cubic feet per day [JKPSSH —Juta Kaki Padu "Standard" Se Hari] in 1980 to 1,322 million "standard" cubic feet per day in 1985.

If the data provided by the Planning Office for the production and export of natural gas for the period 1980-95 are studied carefully, it appears that all of the LNG has been and will be exported. Other forms of natural gas have been and will be used by industries employing natural gas in the Federal Territory of Labuan (for the manufacture of methanol and methane), the ASEAN ammonia-urea project in Bintulu [Sarawak], and Phase I of the Peninsula Gas Usage Project. LNG exports will bring in large foreign exchange earnings for Malaysia. It is estimated that in 1985 Malaysia earned M\$2,319 million from such exports. This was 6.1 percent of the average income from total national exports. And the principal country which took Malaysian LNG was Japan, which signed a 20 year purchase agreement several years ago. Although it cannot be denied that, by

exporting this natural gas, the country has obtained substantial income, efforts to use the gas on the domestic market on a broader basis also need to be emphasized. Although Malaysia is still short of skilled technicians to supervise the implementation of natural gas usage projects, this problem can be resolved by providing opportunities for young professional workers needing experience through cooperation with foreign companies. Perhaps it will take 20 years to do this!

At present it is estimated that energy use in Malaysia amounts to 222,000 tons of oil per day (source: Dr Abu Azam, 1987). With the action being taken by the government to expand the industrial sector, energy use will certainly increase.

It is expected that the annual rate of growth of energy use during the years 1986-90 will be 4.9 percent. On the basis of this data petroleum (not including natural gas) will be used to a greater extent than natural gas, while natural gas reserves are larger. This indicates that natural gas energy sources are still not being used fully. For that reason the potential to replace or balance the use of oil or other petroleum products with natural gas is clear and promising, in terms of capacity and supply. Among industrial applications which may use natural gas as a source of energy are:

—The petrochemical industry may use natural gas as a feedstock, as has been done in the ASEAN ammonia-urea plant at Bintulu, Sarawak.

—Electricity generating stations and energy intensive industry to replace petroleum as a fuel, like the electricity generating station at Paka [Terengganu].

—The domestic market to replace the use of kerosene as a fuel.

—The distribution of natural gas to housing areas, such as the Wangsa Maju residential area in Kuala Lumpur.

—The use of LPG [Liquified Petroleum Gas] as a fuel for vehicles.

—Exports in the form of LNG, LPG, and gas condensates.

In any case, several industrial sectors have been identified as those which could use natural gas to supply energy. However, technical problems have always been obstacles to such efforts.

For example, there is a shortage of local technicians in the sector providing natural gas to residential areas, in the replacement of gasoline burning engines with those burning condensed gas, and in facilities for the processing of natural gas. On the other hand the public is still doubtful about natural gas as a source of energy. This is clear if we look at the use of natural gas as a motor fuel. Drivers are uncertain about using it in their automobiles.

There are those who say that their automobiles can only be used for 1 or 2 years due to the damage which may be anticipated from the use of gas. On the other hand several housewives in the Wangsa Maju housing project in Kuala Lumpur are still afraid of the system of connecting natural gas pipes to the houses where they live. They are afraid of fire and afraid that the gas pipes will leak!

In any case the efforts being made by Petronas to make Malaysia a country which is able to use natural gas as a major energy source should be welcomed. And, what is more important, the use of natural gas which, it is estimated, will become more extensive in the 1990's, will not only open a new era in the use of energy but will also open up more job opportunities, particularly for technicians in the chemical construction industry and for semi skilled workers in the construction industry.

As a young official in the UTM Petroleum Office said, natural gas will not only light up the area of offshore Terengganu and Sarawak. It will light up the future of the people of Malaysia.

05170

#### **Oil Biodegradation Study Completed**

42000214d Kuala Lumpur *BUSINESS TIMES* in English 23 Dec 87 p 2

[Article by Khalid Jaafar]

[Text] Sarawak Shell and Sabah Shell Petroleum Co presented a \$45,000 cheque yesterday to three organisations undertaking a joint study on biodegradation of crude oil in the Sabah and Sarawak marine environment.

The cheque was the last installment of a total of \$645,600 to finance the joint study by the group which comprise University Sains Malaysia (USM), University Kebangsaan Malaysia (UKM) and Shell Sittingbourne Research Centre.

The cheque was presented to Dr Nor Muhammad Mahadi, a lecturer in the UKM Faculty of Biological Sciences, by Mr Jaap van Luyk, acting managing director of Sarawak Shell and Sabah Shell, in Kuala Lumpur.

Dr Nor Muhammad is the project leader of the study which is part of Sarawak Shell and Sabah Shell's ongoing programme for marine environment in its exploration and production operational areas.

The study, which started in 1983, was conducted jointly by a study team comprising six lecturers from the School of Biological Sciences of USM, the Bureau of Research and Consultancy of UKM and experts from the Shell Sittingbourne Research Centre in the United Kingdom.

Over the four-year period, Sarawak Shell/Sabah Shell pledged a total of \$645,600, which is recoverable under cost oil, for the study. The final report of the study was handed over to Sarawak Shell/Sabah Shell yesterday and Petronas and Shell staff were briefed on the findings.

The study revealed data relating to the fate of crude oil in the tropical marine environment for the first time. The data indicated that the potential capacity of the tropical seas to accept oil input is enormous and that the biodegradation rate of crude oil in these waters is much higher than that in temperate seas.

Among the salient results of the study are that in the event of accidental oil spills offshore, 40 per cent of Samarang and Baram delta crude oil spill would be evaporated within 12 hours.

Within the next three weeks, another 50 per cent of the crude oil would be biodegraded, with the remaining 10 per cent being biodegraded at a slower rate.

The result of the studies will enable Shell to plan for ecologically safe oil-spill contingency measures.

07310

**PRC Farming Projects Recommended**

42000241b Port Moresby PNG POST-COURIER in  
English 4 Feb 88 p 5

[Text] Prime Minister Mr Wingti has been asked to allow the Chinese government to help develop vegetable and animal farming in the Highlands.

Labor and Employment Minister Mr Iangalio wrote to Mr Wingti on Monday recommending a Chinese government owned corporation be engaged.

Mr Wingti himself has held discussions with the Chinese Ambassador on the matter.

Mr Iangalio asked the Prime Minister to invite the Sichwen Techno-Economic Corporation (SIETCO) to develop high altitude vegetable farming in parts of Enga and Ialibu in the Southern Highlands province.

Mr Iangalio's letter read in part: "The first step would be to invite the Chinese government to carry out a detailed feasibility study of the areas, do a market survey and submit company structure for consideration by the Government."

Mr Iangalio suggests among other things that SIETCO carry out studies to develop vegetable farming in Enga and Southern Highlands as well as development of large piggery and poultry projects and grain growing in the Western Highlands.

He also said the Chinese could look at the development of some textile industry.

"If my proposal is acceptable to you and SIETCO is officially appointed to carry out this task, I wish to further ask you to lead a delegation to China in the near future to see their agricultural development," Mr Iangalio said in his letter.

SIETCO first came to PNG in 1985 and has established an office in Port Moresby.

/9274

**Canberra Rejects Criticism of New Defense Clause**

42000241c Port Moresby PNG POST-COURIER in  
English 4 Feb 88 p 2

[Text] Australia has rejected a major criticism of the joint declaration of principles signed in Canberra in December by Papua New Guinea and Australia.

The criticism has come from Papua New Guinea's recently-sacked Defence force chief, Brigadier General Tony Huai, in an article he wrote for Niugini Nius, calling for the dismissal of the country's Defense Minister, Mr James Pokasui.

In his article, Brigadier Huai admits raising his concern about the provisions of the joint declaration with Australia in his unscheduled talks in Jakarta with General Murdani.

He said the final paragraph of the agreement concerned him most.

This paragraph pledges that the two governments, in the event of an armed attack from an external source, would consult with each other to determine what measure should be taken.

Brigadier Huai says this could easily be misread by Indonesia, and could create unnecessary tension and suspicion between the two countries.

He describes the declaration's final paragraph as being to Australia's advantage, and the whole agreement as being forced on Papua New Guinea to continue Australia's domination of the country.

In reply, Australia's High commissioner to Papua New Guinea, Mr Lance Joseph, said today it was a matter of public record that the joint declaration of principle signed in December was a Papua New Guinea government initiative.

/9274



**MP's To Ask U.S. Collector To Return Art Treasure**

BK050724 Bangkok BANGKOK POST in English  
5 Feb 88 p 3

[Text] Members of a House panel will go to Chicago next week to ask an art collector to return a sculpted stone beam to Panom Rueng Palace in Buri Ram Province.

Culture and Tourism Committee spokesman Phonthep Techaphaibun said he and a few colleagues will ask collector James Alsdorf to return the Thaplang Narai Banthomsin that was on the gate of the palace in Nang Rong district.

Previous efforts to recover the one-ton stone beam have failed, with Mr Alsdorf arguing it is his property, said the Democrat MP for Buri Ram.

Mr Phonthep said his colleagues would use a personal approach to convince Mr Alsdorf that the beam is a historical treasure for Thailand and the world and belongs in its rightful place.

The beam, 75cm high and 240cm long and depicting Phra Narai resting after the world was created, disappeared in the early 1960's.

On August 13, 1965, part of the beam was found in the Kruang Koa antique shop and was taken to the National Museum.

On February 15, 1973, the then dean of Sinlapakon University's Archaeology Faculty, Prof M.C. Suphattharadit Ditsakun, told the Fine Arts Department the other part was on display at the Art Institute of Chicago, on loan from Mr Alsdorf.

Mr Phonthep said the department described the beam as priceless and one of the most beautiful sculptures of its kind.

The media has been asked to publicise the case, said Mr Phonthep, who added: "Mr Alsdorf is a rich man. He may be worried about his reputation."

The entire committee will leave for the U.S. on February 28.

**Advertisements Allege U.S. Role in Lintel Removal**

BK090139 Bangkok BANGKOK POST in English  
9 Feb 88 p 1

[Excerpt] The United States Embassy said yesterday there was no official American involvement in the removal of a historical stone lintel from Buri Ram province to an art institute in Chicago.

A group called "The People of Thailand" placed advertisements in the Thai and English-language newspapers alleging the US military played a role in removing the Thaplang Narai Banthomsin from the Hondu Khao Phanomrung Temple in the early days of the Vietnam war.

Members of the House Culture and Tourism Committee are to leave for the U.S. to try to convince the present owner to return the carved sandstone lintel to Thailand.

The temple has been renovated and will be reopened by Her Royal Highness Princess Maha Chakkri Sirinthon in April. Panel members hope to bring the lintel back before then.

According to the committee, the lintel was taken between 1960-1961 and was later found on display at the Art Institute of Chicago on loan from the Alsdorf Foundation, run by art collector James Alsdorf.

Mr Alsdorf has rejected repeated requests for its return over the past ten years, and panel members hope to convince him it belongs to Thailand and the world and belongs in its original place.

In the advertisements, "The People of Thailand" said the one-ton lintel was removed from atop the temple with the use of US military equipment and spirited abroad "thanks to the special privileges enjoyed by the US forces" at the time.

The advertisements charged: "The American government facilitated the robbery of cultural treasures in this region through the use of special rights and privileges and even of military equipment."

"The People of Thailand" appealed directly to "our friends the American people" to press for the return of Thailand's national treasure because "we have learned that we cannot expect much consideration from the U.S. government".

**BANGKOK POST Cautions Against Emotionalism in Lintel Issue**

BK090205 Bangkok BANGKOK POST in English  
9 Feb 88 p 6

[Editorial: "A Time To Avoid Emotionalism"]

[Text] The people of Thailand should take comfort from the official statement released by the US Embassy yesterday saying the US Government "wants a satisfactory and speedy resolution" of the issue of a sandstone carved lintel missing from the Khao Phanomrung temple in Buri Ram province. The US Government "will keep the Royal Thai Government apprised of any information obtained on the lintel," it said.



We tend to believe the US Embassy's (?reservations) of official American complicity in the removal of the lintel from the temple. We also appreciate the US Government's unequivocal condemnation of the pillaging of cultural treasures that are a part of any country's heritage and patrimony.

In its investigation on the missing lintel, the US Government has learned that the Thai cultural treasure came to be on display at the Art Institute of Chicago on loan from the Alsdorf Foundation which apparently purchased the carving in 1967 from a New York art dealer.

It has also been clarified that Thailand is not a State Party to the UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property, to which the US is a State Party. We hope that this will not in any way interfere in the sincere efforts of the US Government to do what it can to have the lintel returned to Thailand.

The press statement carried yesterday appealing to the American people for the restoration of the lintel to the temple may have been somewhat excessive in its allegation of involvement of previous American governments, something we also reject. Nevertheless the question of how such a large and heavy lintel could have been spirited out of the country remains unanswered. In its continuing investigation of the facts concerning how the lintel could have got into the U.S., or into the hands of a New York art dealer, the US Government may have to take into consideration the fact that American forces were stationed in the Northeast during the 1960's for logistical air support in the Vietnam war, a war in which Thailand was a firm and staunch ally of the U.S.

We in Thailand must also consider the possibility of involvement of some unscrupulous Thai who may have had no regard for our own cultural heritage. Any Thai found to have been involved should be punished by law, just as we expect the U.S. Government to do something about the illicit import of our cultural property in accordance with the UNESCO convention.

We the people of Thailand should not allow this issue to become so emotional as to disrupt our mutually satisfactory and beneficial relations with the U.S. Government and people. We should trust them to do all they can to see that what belongs to us is returned to its rightful place in Khao Phanomrung temple.

#### **SIAM RAT Questions U.S. Envoy's Stand**

*BK100815 Bangkok SIAM RAT in Thai  
10 Feb 88 p 8*

[Editorial: "Why the Aggressiveness Toward Thailand?"]

[Text] As a voice representing the Thai people throughout the country, we wish to explain to the U.S. Government that the advertisement which appeared in various

newspapers recently demanding the return of the Narai Banthomsin stone lintel did not contain anything that accused the U.S. Government or the U.S. military of removing the lintel. The advertisement merely said equipment belonging to the U.S. military was used in its removal. Therefore, there is no need for the U.S. Embassy in Bangkok to deny complicity of U.S. officials in the issue because there is no way to prove anything.

The U.S. Embassy statement brought up the background of the 1970 UNESCO Convention on prohibiting and preventing the illicit import, export, and transfer of ownership of cultural property to which the United States is a party. The statement said that "as a state party, the United States can place restrictions on the import of valuable archaeological materials and prohibit the import of stolen cultural property, and that requests for such action must not be from a state party to the convention." [sentence as published] The statement sounds as though it rejects the request because Thailand is not party to the convention and as though the United States rejects responsibility in helping Thailand apply pressure on or appeal to the Chicago Art Institute to return the lintel. The United States will only cooperate by providing information on any progress in the issue.

So, Thailand or a Thai Government representative will have to help himself in negotiating with officials of the art institute and rely on their mercy; the U.S. Government will not involve itself in this matter.

The U.S. ambassador's heart is now apparent. As far as Thailand is concerned, he does not view it as the friend it once was, and the USIS director expressed the same view earlier.

But we do not believe that this is the position of the Reagan government which, outside of the framework of the law, has helped countless people already.

The fact is the U.S. Government can easily help persuade the Chicago Art Institute on the stone lintel matter.

Please do not forget the recent U.S. Government requests from Thailand on such issues as copyright, drug patent, and computer software to which the Thai Government responded loyally, to the dismay of Thai people.

We feel that of late the U.S. policy toward Thailand on virtually every issue has been aggressive and lacked selectiveness or flexibility as before. We wonder if this is the overall U.S. Government policy or the policy of the current U.S. ambassador to Thailand.

#### **Economic Ties With SRV Increasing**

*42000256c Bangkok BANGKOK POST in English  
3 Feb 88 p 15*

[Text] Thailand and Vietnam yesterday expanded their economic ties with the resumption of Ho Chi Minh City-Bangkok flights and the announcement of the first Thai-Vietnamese fishing joint venture since 1975, UPI reported.

"The first regular Vietnamese flight from Ho Chi Minh City (formerly Saigon) arrived this morning," THAI spokesman Petchpling Sarasin told UPI.

Ms Petchpling said the first THAI flight would leave for the former South Vietnamese capital on Friday and the two national airlines would continue Tuesday and Thursday flights.

Flights by the national carriers were suspended in 1975 when Saigon was captured by Vietnamese forces.

THAI will use an Airbus-300B modified to take 120 passengers and 24 tons of cargo, while Vietnam Airlines will use a Soviet-made Tupelov-134.

"The new services are seen as an excellent opportunity to develop Bangkok as the major gateway for Indochina and also to improve prospects for increasing trade and service traffic," she said.

#### First

The two national carriers already operate flights between Hanoi and Bangkok, but the new flights are their first serving Ho Chi Minh City which is expected to be the centre of a new export and investment drive by the Vietnamese Government.

Officials of a private Thai fishing company yesterday announced a joint venture with Vietnam to exploit the relatively under-fished seas off Vietnam.

Amorn Sirichai-ek-kawat Sirichai Fishing Company said the joint venture was expected to involve up to seven Thai fishing trawlers on a three-month trial basis.

Thailand, which ranks fifth in the world in fishing, has over-fished its own waters, while Vietnam's fishing industry has been hampered by a lack of investment and the use of fishing boats for refugee escapes.

Hundreds of Thai fishermen have been arrested, jailed and fined for illegally fishing in Vietnamese waters.

Thai Foreign Ministry sources said the ministry neither supported nor opposed private trade or economic relations with Vietnam even though the Vietnamese occupation of Kampuchea is seen as a major threat to Thai security.

#### Joint Fishing Venture With SRV First in 13 Years

42000256d Bangkok THE NATION in English  
2 Feb 88 pp 1, 2

[Article by Kavi Chongkattavorn]

[Text] Ho Chi Minh City—Seven Thai trawlers with 150 Thai fishermen aboard will head for Vietnamese waters later this month to begin what will be the first Thai-Vietnamese joint fishing venture since 1975.

The arrangement was made here on 19 January between Ngo Van Nghiep, vice director of Sea Product Export Corporation, and Wicharn Sirichai-ek-kawat, president of the Overseas Fishing Association of Thailand and owner of Sirichai Fishing Company.

Under the agreement, fishermen hired by the Thai company will be eligible for a three-month trial fishing period with the Vietnamese firm in southern Vietnam off Ming Hai and Kiang Yang provinces.

The outcome of the joint fishing experiment will form the basis of an official joint fishing venture between Thailand and Vietnam.

In an interview with THE NATION, last week Minister Vo Dong Giang, chairman of the State Commission for External Economic Relations, said that Thailand is the first Asian country to enter into a joint fishing venture with Vietnam. "We don't foresee any difficulties because the Thais are good fishermen," Giang said.

Last December, Australia began shrimp fishing in Vietnam, also under a joint fishing venture arrangement, he said.

In Bangkok, Wicharn is confident that in May or June his company will be able to sign a joint fishing venture with Vietnam to start large-scale fishing in Vietnamese waters.

The joint fishing cooperation capped years of effort by the Thai private sector to seek new waters for the burgeoning Thai fishing industry. Thailand ranks fifth in the world in fishing output.

The cooperation also comes at a time when the two governments are at odds over the Kampuchean issue. Thailand's ambiguous policy seems to tacitly encourage but officially discourage private sector trade with Vietnam.

Western countries and ASEAN have continued economic boycotts against the Hanoi government since its troops invaded Kampuchea in late 1978. Thai officials have expressed concern that economic prosperity would prolong Vietnam's occupation of Kampuchea and have called for continued economic sanctions until all Vietnamese troops withdraw from Kampuchea.

Although there are no official commercial ties between Vietnam and ASEAN, private sector of some countries in the regional grouping have business dealings with Vietnam.

Thai fishermen have been fishing illegally in Vietnamese waters. Hundreds of them ended up in Vietnamese jails. Last week, Vietnam released 357 fishermen after the Thai Government agreed to pay a heavy fine.

The fishing deal is understood to be the first to be made by the Thai private sector with Vietnam since the end of the Vietnam war in 1975.

Thailand has joint fishing ventures with several foreign countries, including Australia, Indonesia and Bangladesh.

According to Wicharn, during the trial period Thailand will supply "everything" to its Vietnamese counterpart—including export of marine products—and net profit will be divided equally.

To facilitate the operation and upcoming trade activities, Wicharn added, his company is planning to open an office soon in a three-story building in Ho Chi Minh City. Other foreign trade representatives normally use hotels as offices.

Vietnam will dispatch three trawlers and a number of fishermen to cooperate in the trial venture. "Both Thai and Vietnamese fishermen for the first time will fish hand in hand, learning from one another," he added.

Giang said Southeast Asian nations, including Thailand, should take advantage of the openness and various economic reforms aimed at improving the Vietnamese economy.

"We would like to give priority to our neighboring countries, which can help us improve our economic development," he said.

Giang is responsible for Vietnam's external trade and also takes care of the recently announced new foreign investment law, which is the most liberal code in the socialist world.

According to Nguyen Vinh Nghiep, president of Foreign Economic Relations Board of Ho Chi Minh City, Thai businessmen have visited here in large numbers and expressed interest in forming joint ventures in construction and housing, orchid raising, shrimp farming, tourism and buying gemstones and logs.

A Bangkok-based company has a contract to upgrade two hotels in downtown Ho Chi Minh City into five-star hotels later this year. The Cuu Long and Hung Nghi hotels need extensive renovation to welcome an increasing number of tourists from East and West, Nghiep said.

Both the Vietnamese Embassy in Bangkok and the Thai Embassy in Hanoi said that during the past three months several trade groups have visited Vietnam and begun trade negotiations.

Peraphol Triyakasem, managing director of Letraco Ltd, attributed the increase in trade interest with Vietnam to Thailand's noncommittal trade policy toward Vietnam. In recent testimony at the House Foreign Affairs Committee, the Foreign Ministry gave the impression that the private sector can trade with Vietnam at its own risk, he said.

"It has increased some confidence among businessmen wishing to trade with Vietnam," he said.

Peraphol said with direct flights from Bangkok to Ho Chi Minh City by Thai International beginning Feb 5, there will be more cargo and business between the two countries.

Thai businessmen who frequent Ho Chi Minh City predicted that Thai-Vietnamese trade this year will increase several fold. "To begin with, several Thai companies have agreed in principle with the Vietnamese authorities to buy and sell commodities and form joint ventures," Peraphol said. "They have decided to compete with Singapore head-on."

Japan and Singapore are Vietnam's two top trade partners. Hong Kong and Indonesia are catching up. Vietnamese officials said South Korea is very keen to invest in Vietnam.

Last year the two-way trade volume between Thailand and Vietnam amounted to about 82.2 million baht, but businessmen estimated that the trade figure, including the informal trade and trade through third countries with Vietnam, should be a lot higher.

Foreign Ministry officials contacted by THE NATION agreed that the business ties will continue to grow and the ministry will not intervene if the trade ties do not harm national security interests or involve technology transfer.

Most of the Thai businesses concentrate their commercial activities in this southern city because of its relative openness and business connections. Before the reunification of Vietnam, Ho Chi Minh City (formerly Saigon) was an important trading hub in Southeast Asia.

Thai authorities have repeatedly warned that it is risky to conduct commercial transactions with Vietnam.

**Commerce Chief Urges Joint Ventures With '4 Tigers'**

42000256a Bangkok BANGKOK POST in English  
10 Feb 88 p 15

[Text] The removal of U.S. Generalised System of Preferences status from South Korea, Taiwan, Hong Kong and Singapore may force investors from these countries to invest here to exploit Thailand's GSP status.

Deputy Commerce Minister Prachuab Chaiyasarn said Thailand's production technology and market contacts with the U.S. were not as deep or efficient as these four countries because of their longer presence in the marketplace.

Therefore, Thai businessmen may have to enter joint ventures with counterparts from these four countries in order to move faster although, in doing so, it was important to ensure that the conditions of the joint ventures did not disadvantage the Thai side.

It would be a positive addition, he said, if the joint ventures geared towards exports to the U.S. had American involvement as the American partner could help secure markets in the U.S. Thai investors should group together and select the right foreign partners for any particular joint venture, he said.

"On the other hand, if Thai firms want to go it alone, they should know that GSP privileges can be taken from Thailand and that a firm client base was necessary before investing heavily in production, said Mr Prachuab.

/9738

**Deficit Reduction Plans Announced**

42000256e Bangkok THE NATION in English  
2 Feb 88 p 17

[Article by Vatchara Charoonsantikul and Sam-ang Vutisaksatit]

[Text] The Budget Bureau is counting on large increases in revenue to allow the government's budget deficit to fall by more than 8 percent, despite plans to increase expenditure by about 10 percent in fiscal 1989.

But some tax-collecting agencies, notably the Customs and Excise Departments, are unsure whether they can meet the bureau's preliminary targets.

According to Budget Bureau Director Bodi Chunnanda, who briefed Prime Minister Prem Tinsulanonda yesterday, the aim for the fiscal 1989 budget is to start improving income distribution and spreading growth to rural areas, while continuing to create stable growth for the economy as a whole.

Bodi said the preliminary aims and figures are the outcome of a meeting last week with the Finance Ministry, the National Economic and Social Development Board and the Bank of Thailand.

Spending for the year beginning October 1 is planned to increase by between 9.8 and 11.5 percent compared with funds allocated for the present fiscal year to 267.3-271.5 billion baht. Planned spending this fiscal year is 243.5 billion baht, up about 7 percent on spending planned for fiscal 1987.

The deficit is provisionally set at 40-41.3 billion baht, down 8-9 percent on this year's 44 billion.

The estimates of revenue are based on revised estimates for the current year from the original 199.5 billion baht to 214.34 billion following a surge in income tax and import duty collection attributed to strong economic growth.

The Budget Bureau expects revenue growth next year to be 5.4-8.0 percent, bringing the total to 226-231.5 billion baht.

But while the Revenue Department is confident that its target of collecting 81-82 billion baht can be met in fiscal 1989, Customs Department Deputy Director General Prakong Leelawongs questioned whether the 47.2 billion baht target for the department can be achieved because of plans to change import and export tax rates.

Questions are also being asked at the Excise Department about the tax revenue target of 62.5 billion baht.

Bodi said the budget should help the economy to grow by 5.7 percent in calendar 1989 compared with the 5.8 percent growth in gross domestic product (GDP) forecast for this year.

He said the 9.8-11.5 percent increase in expenditure should enable the economy to grow satisfactorily—a statement that conflicts with more conventional economic analysis which would regard the reduction in the deficit as a more important factor slowing down the expansion of the economy.

With an expanding revenue base, he said the government will have more room to spend without government agencies or state enterprises having to squeeze out funds from the private sector.

He described the expansion of expenditure as "within limits", allowing the deficit to avoid excessive levels. The 40-41.3 billion planned is about 2.7 percent of GDP, close to the 2.6 percent target set under the Sixth Economic and Social Development Plan.

Although a more severe reduction in the deficit might be possible, Bodi said it is necessary to continue the expansion of the economy and the government still has to spend on projects to stimulate growth and investment in infrastructure such as communications, transport, water supplies or electricity.

These will help to attract foreign investment and allow large project investments, such as on the Eastern Seaboard, Bodi said.

Another objective in maintaining the growth in spending is to reduce the proportion of debt servicing in spending from the present 25 percent. Bodi said the objective of reducing government debt servicing to 20 percent of spending would take another three to four years and would probably only be achieved in the Seventh Development Plan.

For fiscal 1989 debt servicing obligations at 66.6 billion baht would come to about 24.5 percent of planned spending, with 17.3 billion in principal and 49.3 in interest payments.

Bodi said preliminary plans for government investment in fiscal 1989 are at least the same proportion of total spending as in the previous year when the investment budget grew by 16.6 percent. For fiscal 1989 the increase is planned at 16.8-17 percent. Development funds are still being considered, Bodi said.

Describing the budget situation so far this fiscal year, Bodi said 89.1 billion baht or 37 percent of the 243.5 billion planned has been drawn, and that 99.4 percent is expected to be authorized by the end of the fiscal year, with 89.7 percent actually drawn.

With the expected increase in revenue, the need to borrow to cover the cash deficit will be lower than expected, and the government's fiscal position will be stronger than in earlier years, Bodi said.

In fiscal 1987, he said out of the spending budget of 227.5 billion baht, 226.18 billion or 99.4 percent was authorized, but only 87.1 percent or 198.16 billion baht was drawn within the fiscal year. The rest was drawn in fiscal 1988.

Revenue collection in fiscal 1987 exceeded the 185.5 billion baht target by 12.18 billion baht, coming to 197.68 billion. This was the first year since 1980 that revenue exceeded the target.

Government borrowing remained within the 42 billion baht limit in fiscal 1987, and at the end of the fiscal year the government's treasury reserve stood at 11.1 billion baht.

/9738

### **Inflation Rate Predicted**

42000256b Bangkok *BANGKOK POST* in English  
4 Feb 88 p 13

[Text] Thailand's inflation rate this year is expected to be around 3.8-4 percent, Bank of Thailand's Economic Research Department Director Chaiwat Vibulsawadi said yesterday.

He said the revised figure narrowed the expected inflation rate from the earlier estimate of 3.5-4.5 percent.

"A factor responsible for lowering the upper estimate is the country's new oil purchasing method," he said. "The country previously used the Singapore-posted price for oil imports, but since the beginning of the year has changed to the spot system."

By using the spot price, Thailand's oil imports are around U.S. \$2 a barrel cheaper than the Singapore-posted price.

He said that by using the spot system, the country's Oil Fund of 3,500 million would increase and attract more money.

Next year the inflation rate will remain at around 4 percent.

Asked about the plan to increase the civil servants' salaries, he said this was possible without affecting the Government's budget allocation.

The salary increase will cost the Government around 3-5,000 million baht per year, but the Government can reduce its spending by cutting back on stationary.

/9738

### **Year-End Poll Surveys Political, Economic, Social Views**

42070091d Bangkok *SIAM RAT* in Thai  
28 Dec 87 pp 1, 2, 16

[Unattributed report: "Chulalongkorn Conducts Poll, Prem's Popularity Has Declined Greatly"]

[Excerpts] Associate Professor Amara Phongsapit, the director of the Social Research Institute, Chulalongkorn University, and Mr Thirayut Bunmi, a scholar with this institute, issued a statement on the afternoon of 27 December about the results of a study on changing social and political views in 1987 and on people's hopes for 1988. The survey was conducted during the period 10-20 December 1987. A total of 1,300 questionnaires were sent to people nationwide. Of these, 1,267, or 94.5 percent, were returned. The respondents were divided into seven main groups: government and state enterprise



officials, 13.7 percent; teachers, 7.4 percent; businessmen and merchants, 8.8 percent; personnel at private companies, 3.9 percent; self-employed individuals, 11.5 percent; farmers, 33.8 percent; and laborers and hired workers, 18.2 percent.

As for changes during the past year, nothing very serious has occurred, except for the statement by military leaders that they are tired of the present political system. They suggested solving the country's problems by staging a social revolution. There was a rather sharp response from those who do not think that the military should play a political role. During the past year, the military seems to have been on the defensive. This has given the people greater confidence in the democratic political system. At the same time, the status of military leaders in the eyes of the people has declined. And the parliamentary process has changed quite a lot.

During the past year, the status of politicians, the political parties, and parliament declined as a result of several important events. These included the fact that 15 MPs withdrew their names from the motion to hold a no-confidence debate on the prime minister, the vote-buying during the by-election in Yasothon, the split within the Democrat Party, and the turmoil in parliament. In a poll conducted in November, 42.9 percent of the people in Bangkok felt that the existing political problems stem from the politicians and political parties. To solve these problems, something must be done about the politicians.

In the latest survey, 34 percent of the respondents said that they have little or very little hope that Thailand's political problems will be solved during the coming year. Another 37.2 percent have modest hope. Around July 1987, which is when people were exerting influence to have the MPs withdraw their names from the no-confidence motion, the leadership status of Gen Prem Tinsulanon, the prime minister, declined greatly. His leadership rating fell to only 35.5 percent. A poll conducted in April showed that the popularity of Maj Gen Chamlong Simuang had increased greatly. Nationwide, his popularity rating was 27.7 percent as compared with only 11.9 percent for Gen Prem.

In short, the political changes that have taken place show two major trends: the decline in the political legitimacy of the military and military leaders and the decline in the role and legitimacy of politicians, the political parties, and the political party system. These two trends have strengthened the position and power of the prime minister. The fact that the political and military problems have all devolved on the prime minister is something that the people both like and hate. This can be explained by saying that as a result of the decline in the status of the political parties and military, people feel that Gen Prem is playing a role in maintaining political stability. But at the same time, the people feel that Gen Prem is the focus and cause of the problems. When asked which politician

they dislike the most, the greatest percentage of respondents, 14.2 percent, said Gen Prem. Only 0.4 percent said that they did not like Maj Gen Chamlong.

When respondents were asked which politician they liked the most, the result was: Gen Prem, 10.6 percent, Maj Gen Chamlong, 9.6 percent, Mr Samak Suthorawet, 9.2 percent, Mr Chuan Likphai, 6.8 percent, and MR [royal title] Khukrit Pramot, 5.5 percent. What is worth noting is that the popularity of the politicians has become more dispersed. In particular, in Bangkok Metropolitan, MR Khukrit is more popular than Gen Chamlong, whose popularity is about the same as that of Mr Samak. The reason for this is that they consider MR Khukrit to be a fighter. In the south, Gen Prem is still the favorite by a wide majority. This is why he came in first nationwide.

Gen Prem has a reputation for remaining above the fray and not making decisions, or not explaining his ideas, and this has probably had a great influence on how the people feel. When respondents were asked who has upset them the most during the past year, the result was: a family member, 15.9 percent; a fellow worker, 9.4 percent; and a government official such as a police official, local official, or revenue official, 3.7 percent. When this question was asked about national-level figures, Gen Prem led the way with 3.9 percent. Thus, it can be said that Gen Prem is the Man of the Year. That is, he is simultaneously the most liked and the most disliked politician. And he is the person who has upset the people the most.

On the economic front, during the past year, both the public and private sectors have reported that Thailand's economy has grown at a satisfactory rate. And the outlook for 1988 looks even brighter. However, a poll conducted by the Social and Political Studies Section, Social Research Institute, Chulalongkorn University, on 21 September on Thailand's economic situation showed that the people do not think that the country's economic situation is very good. That is, 56 percent of the respondents felt that the country is in a recession or depression, and 34.5 percent said that the situation was average. Only 9.4 percent said that the economy was good.

This latest poll showed that most Thai still feel that the country's economy is not very good. That is, 57.4 percent said that economy has deteriorated, 17.3 percent said that the economy has remained unchanged, and 21.2 percent said that it has improved.

It can be said that economic problems were the most important problems facing the people in the past year. When asked what the worst problem was, 43 percent said insufficient income and 21.8 percent said unemployment. Even when respondents were classified into urban and rural dwellers, insufficient income and unemployment were still named as the two most important problems in that order.

When respondents were asked what they wanted most on the political front, 56.5 percent said that they want a government that can improve the economy and solve the people's problems. Another 16.7 percent said that they want full democracy.

The social problems are secondary in importance to the economic problems. In the poll conducted in September 1987, 32.6 percent of the urban respondents and 19.9 percent of the rural respondents expressed concern about the safety of their lives and property. In the latest survey,

37.2 percent said that something must be done to solve the problem of corruption, and 22.4 percent said that something must be done about crime. A total of 38.9 percent said that social conditions are bad or very bad, and 57.5 percent said that morality has declined or declined greatly. Because of these pressures, approximately 20 percent of the Bangkok respondents said that they had thought about committing suicide.

11943

## POLITICAL

### Value of Soviet Experience to Renovation Campaign Discussed

42090093a Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 4-5 Nov 87 p 2

[Article by Tran Bach Dang: "Seventy Years of Soviet Government; Our Great Teacher"]

[Excerpt] The 70 years of socialist construction in the Soviet Union have been marked by correct steps and by mistakes. The correct steps have been talked about at great length. But the mistakes were something of which we only had a glimpse, that is, up until the early 1980's, when the Soviet Union itself began talking about its mistakes. There was, of course, the surge of criticism that occurred in socialist construction in 1956. Very regretably, however, the initiator of this criticism quickly abandoned his objective and returned to the old path that he, himself—Nikita Khrushchev—had rejected. In the mid-1960's, a similar situation developed—just as it did with his predecessor—and lasted for 15 years. In the final analysis, the mistakes being openly admitted by the Soviet Union today had a common denominator: the maladies of being satisfied with oneself and voluntarism. "Communist conceit"—as Lenin called it—was entirely understandable.

Imperial Russia was backward but became the first socialist state of mankind. There was no precedent in mankind's history for building socialism. The Soviet Union groped along. Here, one loss that was suffered must be emphasized—Lenin's early death. The thinking on building a new social order previously unknown to mankind faltered: for a full 3 years, Lenin truly sacrificed his heart and mind for the concrete steps to be taken in that which was his passionate aspiration—for 3 years, he had to wage a special struggle necessitated by the evil bullet of a reactionary that had destroyed his health.

However, today, as we reread the thoughts of Lenin, thoughts expressed in his telegrams, telephone messages and passing observations, we see that Lenin was never satisfied with himself. He viewed the reality of socialist construction as a bitter, stern and complex test of intellect, particularly in view of the fact that it was originating in Russia. "We are suffering because of capitalism and will suffer even more because of capitalism"—this one sentence alone is sufficient to illustrate Lenin's view. "I would trade 10 bragging communists for 1 bourgeois specialist." These two excerpts were selected by me but the original books from which they were taken also show that Lenin firmly adhered to the laws of socialist construction as it commenced in a region in which not even wind powered flour mills were in widespread use.

Following the victory over fascism, the psychology of being satisfied with oneself grew to be as large as this exploit itself. And so, the objective laws of society, of thinking, feelings and so forth were ignored. When the

Soviet Union caught up to the United States in primary strategic products, this psychology grew even more. They were saying that communism was within their grasp. This malady of being satisfied with oneself developed hand-in-hand with voluntarism—whatever we want, we must have. Little was done by way of researching and applying the experience and science of state management, economic management, production management—the achievements of the labor and intellect of mankind. They were even categorized as bourgeois.

In all fairness, this rigidity in the Soviet Union was recognized at an early date and there were some persons who bravely sounded the alarm. We need only mention the author Oveskin who, in an article written in early 1953 entitled "Everyday Happenings in a District," pointed out many absurd practices in the management of agriculture that needed to be revised, reformed or even completely changed. Sadly, Oveskin was disciplined, and only reinstated recently.

From this self-satisfaction and voluntarism, countless other ills sprang—all of them within the framework of a proletarian party in power. Bureaucratism—what we call bureaucracy—authoritarianism, arrogance, repression and so forth in the Soviet Union were accompanied by the cult of the individual, which was certainly not found only in the Soviet Union. Although many of his arguments were preposterous, Djilas, the Yugoslav, did advance one argument deserving of thought, namely, his argument concerning the class system that exists when the party is in power.

The consequences of these many mistakes were the stagnation of production and the failure of science and technology to catch up to the West accompanied by slow improvement in the standard of living, in meeting the needs of the worker, the violation of social democracy, sometimes grossly, and the slow formation of laws. Overriding everything were an erosion in the loyalty and creativity of the people, a decline in ethical standards... A host of formulas were born—formulas divorced from life. Countless questions demanding answers were arising each day but a cumbersome mechanism stood in the way—the anonymous and irresponsible "we" was used everywhere as synonymous with "I," not as in the liberation of the individual, as in the "I" of everyone, but as in the power of the administrator, in whose veins runs the blood, even the heritage of feudalism. Some 30 years ago Oveskin himself very correctly stated: "The person who holds the highest position is not always the tallest." Oveskin was only pointing out how Lenin viewed it.

The 70 years of Soviet government have taught the working people of our country countless lessons, the most important one being the need to know how to govern as the class in power through their leading party. The party leads. To govern—there is nothing to fear about this term, it is a very honest term. It is part intelligence, part art and part sentiment. It is to organize,



to dare to make decisions and also to dare to change decisions after comparing them to reality. Associated with holding power, in general, is a number of features that can easily be viewed as synonymous with the attitude of ruling powers. The difference in terminology alone is not, however, sufficient to protect the nature of revolutionary power. In our country, the three words most painful to the ear have been said by some persons: Red village bullies. Unfortunately, this phenomenon has been real at one place or another. And, anyone who sees the film "Remorseful" will recognize the face of these village bullies in the Soviet Union. The danger is that bad things are done in the name of the party, the working class and socialism. After the party has been in power for a certain amount of time, ways of doing things that are the opposite of the principles of the party and contrary to the wishes of the people easily emerge. The failure to consciously recognize this disaster will create a host of serious negative factors that threaten the purity and stability of the system. In actuality, there are some "forbidden zones" that the Soviet Union is attacking to tear down the fences that enclose them. One of these "forbidden zones" is "internal prosecution." The upper level, the leader doing as they see fit and never recognizing any legal or social constraint are also a kind of "forbidden zone."

And, in our country, "the powerless silently endure their indignation" is not a saying which applies only to ancient times. Being one of the "humble folk" is not just associated with the regimes of old. The same applies to being a "child of a distinguished family." If we look into it a little, we see in the hands of which families' children the "lucrative" positions are. This is "lucrative" in its less than wholesome sense. The percentage of children of high-ranking cadres who are soldiers, who go to the front to face the bombs and shells is lower than the percentage of children of ordinary families—in the Soviet Union and Vietnam alike—and, as a result, there are similar percentages of these children whose way of life and social behavior are immoral and bad.

Today, in the Soviet Union, a campaign to "make everything public" is being launched. This is a step to restore Lenin's practices in life on a broad scope. Openness is the law, is the practice, is democracy. I will now make the mistake of "dragging on and on" and not stop here. Because, there is one other thought I would like to express: the October Revolution, following many achievements and setbacks, is the embodiment of the past 70 years. Today, all the things that the Soviet Union is determined to deal with and strive for will produce marked results, will result in a rapid increase in production capacity, a steady rise in the standard of living and a more wholesome society. And, the enemy knows that they will lose in the race between the two social systems. Of course, we should not be impetuous. We firmly believe that one day before mankind enters the 21st century, Soviet products will be the pride of the world market, from power tools to ordinary consumer goods. The ruble will become the strong currency. If you have

rubles in your pocket, you will have everything! And, the songs about "human rights," "standard of living" and "level of enjoyment" blaring over reactionary mass media will fade away. We—the Vietnamese—will like televisions with the Soviet label, will like Soviet automobiles, not because of some feeling of friendship, but because of their quality, because they are attractive and inexpensive!

Some time ago, I heard a funny story. A group of U.S. tourists in the Soviet Union visited a factory. One of the tourists asked: whose factory is this? A Soviet worker replied: it is ours! The tourist pointed to a Volga automobile parked at the gate and asked: whose car is that? The worker replied: the director's! Then, the group of tourists invited the worker to the United States. "Whose factory is this?"—the worker asked. "It's Henry Ford's"—the American replied. "And whose cars are they over there?" "They're ours."

This little story is filled with malicious intent but there is nothing in it about which we should worry ourselves. A balance between the public and the private is gradually being struck in Soviet society in accordance with true socialist principles. The question will be asked: "They have already had 70 years to do this, isn't that quite a long time?" What can we say except that we are humans who live under certain conditions, under the impact of both objective and subjective factors. The best answer is: nevertheless, we realize it now! And "realizing" shortens the distance to be travelled by leaps and bounds...

Returning to the above topic, I would like to relate—very simply and frankly—some of my feelings concerning the October Revolution and the 70 years of Soviet government.

In an interview with TIME Magazine, the general secretary of our party, Nguyen Van Linh, said: "The reasons for the restructuring campaign in the Soviet Union and the renovation campaign in Vietnam are not the same. The levels of development of the two countries differ. But the changes being made by both are aimed at liberating production forces and stimulating development.

The Soviet Union strongly supports the renovation campaign in Vietnam and Vietnam fully supports the restructuring campaign in the Soviet Union. "This is true. The speech by the leader of our country's party on the 70th anniversary of the success of the October Revolution expressed the views of the two parties, the two countries: toward perfection.

Of course, we are encountering greater objective obstacles than the Soviet Union, in my opinion, but our subjective obstacles might be the same. Their party has been in power for 70 years in the Soviet Union. In our country, our party has actually only been in power for 12 years. But the Soviet Union is an industrial country and was less affected by feudalism than we. Its working class

and corps of intellectuals are larger. We emerged from a feudal society, the imprint of which is still very deep, and our working class and corps of intellectuals are inadequate in both size and quality. However, if we say that we have not experienced the path of capitalism—from the standpoint of not having achieved commodity production and industrial production—we are only speaking in relative terms: Saigon and the South embody the premises, more than premises, they embody a reality, a relatively well developed reality. I think back to the message sent by Lenin to Stalin in 1922 when Stalin was in charge of the work of unifying the republics within the region of the Black Sea with the Soviet Union, which, in general, read as follows: this is a region that is more highly developed industrially and agriculturally than Russia. You must preserve everything that will serve to stimulate the development of the entire Union.

The point is, we are building socialism not just on small fields, not just on upland terraces and not just with our bare hands. The liberation of the South gave the fatherland a new potential, a new capacity, a new force. The realities of the past 12 years have proven this scientific argument.

To talk about the Russian socialist revolution is to talk about socialism. And, to talk about socialism is to talk about a turning point that has been reached over the past few years—in the Soviet Union, in the other socialist countries and in our country as well.

To this day, China remains very reactionary in its policies and foreign affairs. But it has achieved a per capita grain output of roughly 400 kilograms—which represents a sudden change compared to its 4,000 year history: chronic hunger has been eliminated. This is not a development that we have seriously studied. We have studied Thailand, the Philippines, Malaysia, Indonesia, Taiwan and South Korea. They have made as much progress in the past 2 decades as they made in the entire preceding history of their country combined. The Soviet Union and we made more than a few mistakes in the past. However, it is abundantly clear that socialism has shown us the way to triumph over difficulties and, as a result, the orb in which the socialist nations exist is always one of orderly development in accordance with the laws of socialism. It is necessary to evaluate ourselves by comparing our system to others, not harbor illusions, vacillate or feel inferior.

This is the eloquent conclusion that the October Revolution and the 70 years of Soviet government allow us to reach. When we realize that we have made mistakes, we should also realize that we are strong, are fully capable of catching up to and surpassing systems that are replete with internal contradictions in the economic and social fields. The problem is that we do not yet know how to correctly use the superior features of our system.

In another category, the category of constantly raising our philosophical and theoretical standards, in general, with the aim of satisfactorily meeting the demands of our times, we must know our weaknesses. Dogmatism is the most dangerous enemy of the renovation campaign, of the cause of advancing socialism. This was true in the past, is true today and will always be true.

The Soviet Union's lesson in a "simultaneous and well coordinated restructuring" campaign is very important. If we adopt new economic thinking but do not adopt new thinking, in general, the general will dominate the economy. If we adopt new thinking but do not adopt a new concept of organization, the situation will be no different than the situation presented in the Soviet film "Special Mission," in which an anarchist is portrayed as being split into two parts, one part ideologue and one part activist, the two of which are destroying each other. If we adopt a new concept of organization but do not attack specific persons—at basic units and for their capabilities, standards, relations with the masses and personal qualities, these specific persons will crush each and every hope regardless of how pressing and ardent it might be. The most easily identified problem in our country has to do with people. We have committed a very large mistake: we have trained a number of officials who are diligent but do little by way of thinking.

The Russian October Revolution is an interesting and inexhaustible topic. I have only delved into one of its details: the 70 years of Soviet government, our great teacher in our great cause. The paths taken by the Soviet Union and Vietnam reflect, of course, the unique aspects of each country. But the way that these paths have come together today is encouraging, particularly that they have come together in self-criticism—in daring to squarely face the truth, in knowing ones strengths and weaknesses and returning to the core of our being—to self-respect, to the inherent loyalty of man and socialist society. Each difficulty will be overcome with this as our starting point.

In conclusion, we feel very deep gratitude to our teacher—the 70 year old Soviet government founded by Lenin, who is still with us. How happy we will be when the faith of many generations and all mankind is bravely and intelligently defended and the attraction of socialism, of communist ideals is restored.

Uncle Ho will worry less and we will be less tormented when this lesson begins to be applied in Vietnam.

7809

## ECONOMIC

### Soviet Cooperation in Construction

#### Fourth Planning Session Held

42090084a Hanoi HANOI MOI in Vietnamese  
3 Nov 87 p 1

[Text] The fourth session of the Vietnamese-Soviet work team on cooperation in the field of construction and the construction materials industry directly subordinate to

the Joint Committee of the Vietnam-Soviet Union Governments on economic cooperation and economic planning was held in Hanoi 26-28 October 1987.

Both parties agreed on measures: to step up the operations of the Bim Son Cement Factory with a view toward boosting its output to 1 million tons per year in 1990, and building its bagging workshop No 2; to ensure progress on constructing, installing, and putting the Dap Cau Glass Factory into operation by the end of 1989; to finish organizing the construction of large precast slab buildings in Hanoi consisting of the Xuan Mai Large Slab Concrete Factory, construction, installation, and finishing enterprises, medical equipment and electrical equipment installation units, the rock quarry, and the grinding and screening station. Mechanized and synchronized installations of the Large Slab Building Construction Combine No 1 is: carrying out the construction of buildings at Vietnamese-Soviet work sites such as homes for workers at the Bim Son Cement Factory, the Pha Lai Thermoelectric Power Plant, and the Dap Cau Glass Factory, and homes at the work sites of the coal industry region; expanding two factories in Hanoi and Bien Hoa that produce high tension electrical poles with reinforced concrete.

On 28 October 1987, V.L. Piachibre, the Soviet Union's first deputy minister of the Ministry of Construction in the Southern Regions, and Le Manh Kiem, our country's vice minister of the Ministry of Building, signed the report on cooperation.

6915

#### USSR Provides Materials

42090084d Hanoi HANOI MOI in Vietnamese  
6 Nov 87 p 1

[Text] After helping Vietnam to build the Xuan Mai Concrete Factory, the Soviet Union has thus far helped it with 5,000 tons of steel to produce 35,000 cubic meters of concrete and erect 32,000 square meters of buildings in the Nghia Do area of Thanh Xuan. Large Slab Building Construction Combine No 1 has started building six 5-story buildings on Route 1A with Xuan Mai precast slabs.

The Soviet Union is also helping the Large Slab Building Construction Combine No 1 with a number of other materials aimed at creating conditions for industrializing the construction of buildings for Hanoi such as various types of transportation and construction machinery and infrastructures (the mechanized equipment operations and maintenance installation, slab-finishing workshops to reduce the time spent working outside, and various types of rock quarry and production equipment).

6915

#### Cooperation With USSR in Coal Industry, Electric Power Reported

42090099 Hanoi TAP CHI HOAT DONG KHOA HOC  
in Vietnamese Nov 87 pp 5-7

[Article by Nguyen Duc Tri: "Vietnamese-Soviet Cooperation in Coal Industry, Electric Power"]

[Excerpts] Currently, our coal industry boasts seven open pits, four shafted mines, three mining mechanical factories, and many infrastructural projects, which were and are being built with Soviet technical assistance. These projects account for more than 85 percent of total coal production nationwide.

In electric energy, both countries have cooperated for many years to devise general blueprints to develop the Vietnamese electric sector for Stage I (1981-85), Stage II (1986-90), and the subsequent period. Materials are being prepared for Stage III (1990-2005). These are economic and technical guidelines for bilateral cooperation to develop the Vietnamese electric energy sector.

On the basis of these data, many electric projects were and are being built with Soviet assistance, including:

—Four mechanical units with an individual capacity of 110 megawatts were put into commission on schedule at the Pha Lai power plant, making an important contribution to the steady supply of electricity to our northern provinces since 1984.

—The Soviet-aided building of the 1920-megawatt Hoa Binh hydroelectric power project and the 420-megawatt Tri An hydroelectric power project is being accelerated and plans have been made to put the first mechanical units into service to meet the pressing demands for electricity of various economic sectors nationwide in coming years.

—The Soviet Union is providing us with equipment and supplies for an additional 3,000 km of electric lines and a 3,000-megaampere network of 110-120 kilowatt transformers to enable us to use up promptly the output of new power plants in the 1986-90 period. It also helps us upgrade electric grids in Hanoi and Ho Chi Minh cities.

These projects to produce and transmit electric power play a very important role in raising electric output nationwide. In 1980, power plants built with Soviet assistance furnished only 25.09 percent of total output; in 1985, that percentage was up to 42.7 percent; according to plan, by 1990 it will exceed 70 percent with the addition of new mechanical units.

The comprehensive cooperation between Vietnam and the Soviet Union in coal industry and electricity also involves other areas, including mechanical repairs, manufacturing of spare parts and energy equipment, research, planning, technical operation and training.

In the fields of mechanical repairs and production of energy equipment, Soviet aid has built and equipped large-scale mechanical factories, including the one at the Cam Pha center with a planned annual capacity of 32,000 tons of products, the Cam Pha factory for major automobile repairs with a planned annual capacity of 620 vehicles, and the Dong Anh factory to repair and manufacture electrical equipment. These factories have handled an important load in repairing and making special spare parts. Some of them have been expanded to fulfill new tasks of the developing energy sector.

As far as training is concerned, since 1955 Soviet vocational colleges and corresponding sectors and installations have trained thousands of Vietnamese cadres and specialists from many energy fields. In 1986 especially, more than 300 Vietnamese energy cadres and specialists attended practical training at Soviet corresponding installations. Currently, the Soviet Ministry of Coal Industry and Ministry of Energy and Electrification help our Ministry of Energy by sharing expertise with and raising managerial skills of tens of its key cadres. Furthermore, to promote on-the-spot training of cadres and workers the Soviet Union has outfitted a mining middle school and is setting up an electric middle school.

Through undergoing training and exchanging experience with Soviet specialists stationed at our energy installations, our cadres and specialists have improved their managerial and vocational skills. Many key cadres at our coal and electric installations once served their apprenticeships at Vang Danh and Coc Sau mines and at Vinh, Uong Bi, and Lao Cai power plants. Many of those who sharpened their skills at the Thac Ba hydroelectric power building project, now hold major positions at the Hoa Binh and Tri An hydroelectric power building projects.

The most obvious result of the scientific and economic cooperation in coal industry and electric power between the two countries is that, together, their specialists have been solving technical difficulties arising from our complex geological, topographical, and climatic conditions in mining coal, building hydroelectric power stations, using anthracite at thermoelectric power stations, and installing high-tension lines. Units and research institutes in both countries are continuing to delve into special scientific and economic topics, including major ones on how to arrest lightning at energy installations and use Vietnamese anthracite.

In coming years, the cooperation between Vietnamese and Soviet sectors and organs concerned will focus on two main tasks of developing the coal industry and electric sector. They are:

—On the one hand, unceasingly raise coal and electricity output in order to meet the ever-increasing needs of various sectors of our national economy.

—On the other, devise all possible measures and use fully all potentials to raise product quality, operate coal and electricity production installations without disruption, and distribute energy to users in an efficient manner.

In light of these two main tasks, the Vietnamese-Soviet cooperation program focuses on building those projects already mentioned in the general blueprints and on carrying out the following major measures:

—Find ways to raise output at some coal mines to planned capacity. Speed up construction at the Hoa Binh and Tri An hydroelectric power projects and promptly put their first mechanical units into commission.

—Promptly develop a network of electric lines and high-tension stations to accommodate the output of new power plants.

—Do more on repairing and manufacturing spare parts and equipment. Find ways to raise economic efficiency in production and operation.

—Continue preparing for the building of some new energy projects including the Ham Thuan hydroelectric power station.

In May 1987, the Vietnamese and Soviet governments signed a cooperation agreement to produce electrical equipment and technical materials in Vietnam in the 1987-1990 period. This agreement opened up new cooperation vistas allowing us to develop an electric network not exceeding 35 kilovolt and making Soviet-aided electric building projects more balanced and more efficient altogether.

A cooperation agreement on coal industry will be signed between the two countries to help us develop that field even more and also create conditions for raising coal output to 9-10 million tons in the post-1990 years.

Currently, at all installations, organs, and worksites, specialists and workers from both countries are taking part in an enthusiastic emulation movement to salute, with their labor achievements, the 70th anniversary of the Great October Revolution.

9213/6091

#### **Export of Shoes to USSR**

42090084c Hanoi HANOI MOI in Vietnamese  
6 Nov 87 p 1

[Article by Mai Van Nghiem: "Leather-Shoe Sector Strives to Produce Four Million Pairs of Canvas Shoes for Export to the Soviet Union"]

[Text] In celebration of the 70th anniversary of the great October Revolution, the Vietnam leather-shoe sector comprised of factories of the Federation of Leather-Shoe

Enterprises along with installations in the localities such as Thuong Dinh canvas shoes (Hanoi), the Haiphong Sandal Federation, etc., is striving to export 4 million pairs of canvas shoes to the Soviet Union this year. Over the past 10 months, the leather-shoe sector has turned over 3.2 million pairs of shoes and finished producing 300,000 pairs despite encountering many difficulties in raw materials and energy. Looking at the existing capabilities and working spirit of all the cadres and workers in the sector, the leather-shoe sector will complete the plan to produce 4 million pairs of canvas shoes for the Soviet Union this year.

6915

### **Industrial Projects Planned With Spanish Cooperation**

35480056b Madrid TIEMPO in Spanish 18 Jan 88 p 72

[Text] Several Spanish firms may be awarded contracts to carry out industrial projects included in the recently approved 5-year plan of the Socialist Republic of Vietnam.

This possibility is a consequence of the recent creation in that Southeast Asian nation of the mixed enterprise known as Trascomin Vietnam. The Vietnamese Government owns 60 percent of the capital, and the Spanish firm Trascomin 86, headed by Anotnio Calleja, owns 40 percent.

This entity, the first mixed enterprise to be established in Vietnam, will be in charge of channeling foreign investment, preferably European, into that country. The amount of investment to be controlled by Trascomin Vietnam during the execution of the 5-year plan will total around \$2 billion, or 220 billion pesetas. The Spaniards who are leading the new corporation, Antonio Calleja and entrepreneur Martin Sierra, want to ensure that the largest possible share of the contracts is signed with Spanish firms.

With this goal in mind, the directors of Trascomin Vietnam have begun the initial contacts with private Spanish firms and with representatives of the National Institute of Industry.

Among the priority projects that have been outlined by the Vietnamese authorities are several which are of interest to some Spanish companies. One of them is the expansion of the Saigon Petro oil refinery, which could be carried out by the engineering firm Tecnicas Reunidas. This company may also participate in the construction of a lubricants plant.

### **Trains, Trucks, and Ships**

Another project that has been given top priority in the aforementioned Vietnamese investment plan is the program to build the necessary railroad infrastructure, which was destroyed in the last war suffered by the

country. Specifically, Vietnamese officials want to install a plant for the assembly and manufacture of railroad cars, with a capacity for 12,000 cars a year. The public enterprise INIRAIL and the private firm Construcciones y Auxiliar de Ferrocarriles (CAF) may be interested in this project. In the automotive sector, the Vietnamese are focusing on the construction of an auto assembly plant, which would follow the importation of an initial shipment of 500 engines and chassis this year for experimental assembly. For this project, Trascomin officials have already signed a contract with the National Motor Truck Enterprise (ENASA).

Trascomin Vietnam will also be expected to meet the Vietnamese demand for ships; several vessels will be purchased, including a 10,000-ton oil tanker and some 5,000-ton cargo ships. In addition, it will be in charge of the installation of a shipyard in the country. In this connection, the directors of the corporation will establish contacts with officials of the Naval Construction Division of the National Institute of Industry.

The initial contacts with these firms will be resumed when a Spanish delegation made up of officials from these companies visits the Southeast Asian nation at the end of this month. On this trip, organized by Trascomin Vietnam, the delegation will be received by the economic authorities of the Socialist Republic of Vietnam.

08926

### **Agricultural Minister Outlines 1987 Achievements, 1988 Goals**

42090109 Hanoi NONG NGHIEP in Vietnamese 5 Jan 88 pp 1, 7

[Article by Nguyen Thien Luan, Minister of Agriculture and Food Industry: "1987 Achievements and 1988 Goals of Agriculture and Food Industry Sector"]

[Text] At the beginning of 1987, the Ministry of Agriculture and Food Industry was established by merging the three ministries of agriculture, food industry and grain, both to build and stabilize the organizational structure and to immediately begin a mission of normalizing every operational aspect of the sector under conditions of many serious difficulties.

Today we can evaluate the initial mission achievement results for the entire year of 1987: grain production for the year was 17.7 million tons, 1.5 million tons short of the planned level primarily due to natural disasters suffered by the winter-spring crop in the north and the summer-fall and tenth-month crops in the south. The production of subsidiary food crops and many kinds of industrial crops such as sugarcane, peanuts, soybeans, coffee, coconuts, rushes, seed cotton, etc. increased over the previous year. Stock raising has continued to develop with the herd of primary domestic animals (hogs, buffalo and cattle) increasing from 5.9 to 11.6 percent over 1986.



Because of the irregular rice production, grain collections reached only 85 percent of planned levels and were slightly less than during 1986. An exception was the central region which almost achieved the plan and had an increase of more than 30,000 tons over the previous year. The situation of grain supply to key points during the last few months of the year was less tense than during the first few months of the year.

In the processing industry, the output of products such as wine, beer, soft drinks, monosodium glutamate, dehydrated soup, pastries, etc. by units under the production management of the Ministry achieved and exceeded planned levels.

Export value reached 163 million rubles-dollars, failing to achieve the planned level at the beginning of the year and less than 1986, but production under programs of cooperation with the Soviet Union and other socialist countries increased by 5.6 million rubles over the previous year.

Programs to study and apply scientific and technical advances were developed precisely as planned and concentrated on the objectives of intensive cultivate to increase crop and livestock yields, technical regulations for the processing and storage of grain, food, etc.

The total level of capital construction investment under ministry management reached 4 billion dong (counting cost overrun factors). In volume, 60 to 70 percent of planned levels for the entire year was achieved.

The sector's international cooperation with other socialist countries, especially the Soviet Union this year took a new step forward with the two countries signing a series of agreements and concurrences for economic, scientific and technical cooperation, creating conditions for our sector to more rapidly exploit the potentials of labor and land in order to develop the production and export of agricultural and food products. We also made active efforts to expand assistance from other countries and international organizations in order to partially overcome the difficulties in capital, technical materials, etc.

During 1987, the Ministry concentrated supervision on initial development and achievement of the Resolution of the Sixth Party Congress, Resolutions 2 and 3 of the Party Central Committee, and the resolutions and decisions of the Council of Ministers, gradually substantiating the line and policy of the party and state in all aspects of ministry activity.

The Ministry has formulated and gradually perfected a proposed Grain and Food Program with accompanying region and production programs, and is presently formulating draft outlines for agricultural, forestry and fishing strategies.

Responding to the "jobs to be done immediately," the Ministry has provided urgent supervision and is continuing to successfully resolve a number of negative occurrences in the sector.

The task of Ministry apparatus organization and cadre arrangement has basically achieved proposed requirements in the standards and structure aspects, aimed at shifting ministry operations to state economic management to ensure normal ministry activities without the appearance of major ideological and solidarity problems. At the same time, the Ministry has strengthened and rearranged a number of production, business and career units, initially reducing scores of intermediate links. Of special interest has been a decision by the Council of Ministers to shift operations of the grain sector to socialist business accounting at the same time as establishment of the Central Grain General Corporation.

Generally during 1987, illuminated by the Resolution of the Sixth Party Congress and Resolutions 2 and 3 of the Party Central Committee, we achieved a number of definite results in all operational aspects. These results were due to the efforts of the entire sector, from the ministry to the local area, basic unit and laborer. At the same time, there was the deep concern for leadership and supervision of the Political Bureau and the Secretariat and Standing Committee of the Council of Ministers, the initially closer coordination of related sectors, etc. Nevertheless, in a direct observation of the truth, it must be noted that agricultural production and the food industry during the past year, as well as during the past few years, have made no significant progress and are even marking time or declining, especially in the production of grain, export products, etc. There are many reasons for this situation but the underlying cause is the lack of a strong change in implementing the line of the Sixth Congress to "consider agriculture as truly the foremost front," most clearly expressed in inadequate investment for agriculture and the food industry to answer production requirements. At the same time, production and business units have not truly shifted to socialist business accounting in the spirit of Resolution 2 of the Party Central Committee.

The year 1988 is of extreme importance, the pivotal year in achievement of the 1986-1990 5-year plan and in achievement of the goals set forth by the Sixth Party Congress.

The 1988 plan of the agriculture and food industry sector must ensure the primary requirements of: highly concentrating the strength of the entire sector, including the central, local and basic unit areas, to promote grain production aimed at basically meeting the grain requirements of the people while simultaneously developing food production with the purpose of meeting the minimum food requirements of the people; and to promote exports to ensure achievement of the programs of economic, scientific and technical cooperation with the Soviet Union and other fraternal socialist nations.

The primary goals are: to strive to achieve an output of 19.5 million tons of grain in paddy equivalent, including the collection of 4.6 to 4.8 millions tons; to raise the area of vegetables of all varieties to 452,000 hectares; to promote intensive cultivation and new planting to increase the output of industrial crops such as soybeans, peanuts, jute, sugarcane, tea, coconuts, fruits, etc.; to increase the livestock herd to 2.81 million buffaloes, 3.11 million head of cattle, 110 million domestic fowls, etc.;

To develop grain and food processing with efforts to achieve an output of: 388,000 tons of syrup of all kinds; 25,000 tons of tea; 50,000 tons of vegetable oil; 800 million packs of cigarettes; 100 million liters of beer; 31 million cans of milk, etc.;

To promote exports, raising export value to 247 million rubles-dollars.;

And to achieve a total capital construction investment in projects under Ministry management of 3.3 billion tons.

To Achieve these goals, the entire sector must make great efforts to achieve the three major economic programs, especially the grain and food program. There must be strong renovation in cadre organization and production and business supervision methods and work procedures closely connected with a basic renovation of economic management and the campaign to "purify and raise the combat strength of party organizations and state apparatus, and to make social relations wholesome," along with good preparation of necessary prerequisites for the years to come.

First of all, from the ministry to the local and basic unit level, we must concentrate on dealing with primary balances for the 1988 plan, especially fertilizer, insecticide and draft power for agricultural production; supplies and raw materials for the processing industry; and cash and commodities for the procurement of grain and agricultural products. We must practice thorough conservation and effective use of capital and materials. Investment must be concentrated on regions of daily necessities of the people, industrial processing and export. The entire sector must urgently formulate and implement regulations on renovating the management mechanism in industry, in the grain business and supply sectors, and in agricultural production with the purpose of developing autonomy in the production and business of basic units and producers, and creating the conditions for liberating production capabilities. Units participating in economic and technical cooperation with the Soviet Union and other socialist countries must effectively exploit our friends' sources of capital and technical materials in order to develop production and export and to ensure international pledges. The study and application of scientific and technical advances must concentrate on projects answering the requirements of production and direct support to the grain and food program.

The ministry to the basic level must successfully rearrange apparatus organization, simplify tables of organization and ensure the efficiency of leadership and supervision. Party committee echelons and commanders must closely coordinate with labor and youth unions to set forth and achieve methods to improve the material and spiritual lives of the laborer.

With the renovation line of the party and the common efforts of the entire sector, we will surely complete the missions assigned by the party and state to the agriculture and food industry sector.

7300

### Illegal Trade Activities Reported in Hanoi

42090084b Hanoi HANOI MOI in Vietnamese  
4 Nov 87 p 1

[Article: "October: Detection of 74 Cases of Speculation, Black Marketing, Counterfeit Goods Manufacture and Business, Confiscated 20,366,000 Dong; Collected Additional Taxes From 2,000 Private Merchant Households, Adjusted Taxes of 6,645 Households; Suspended Five Units With No Business Function; Number of Private Businessmen Increases 2,600 Households Since August, 40 Percent Without Permits"]

[Text] Municipal public security uncovered 74 cases of speculation, black marketing, and manufacture and sale of counterfeit goods, confiscating goods valued at 20,366,000 dong consisting of opium, gold, bolts of fabric, cigarettes, material of various type, etc.

During October, wards and districts collected additional taxes from 2,000 private merchant households and adjusted the taxes of 6,645 households.

Since August, the number of private people engaged in business has continued to grow, increasing 2,600 households (there presently are 40,000 specialized households). Of this, the number of households without permits amounts to 40 percent and the number from which no taxes have been collected amounts to 37 percent.

During the month, the municipal people's committee had two decisions on the management of private merchants—carrying out the system of registering commercial businesses and cataloging state material and goods forbidden to be sold by private individuals. Subward, town, and village people's committees are mobilizing and having sectors reinforce installations, deploying forces at key points.

The three wards of Hoan Kiem, Ba Dinh, and Dong Da have inspected 15 units subordinate to the state apparatus which have no business function nor certificate yet still are engaged in business. The two wards of Ba Dinh and Dong Da have decided to suspend five units.

Ward, district, and city private merchant management units are concentrating on inspecting and trying violations of price discipline, business registration, tax evasion, and negativism in socialist trade. The three wards, seven districts, and cities during the month handled 3,067 violations and illicit business operations (state-50; marketing cooperatives-29; private merchants-2,988), and brought penalties of 1,859,000 dong in 1,969 cases.

6915

**Hanoi Port Surpasses Cargo Handling Plan**  
*42090084e Hanoi HANOI MOI in Vietnamese*  
6 Nov 87 p 3

[Article by Nguyen Ngoc Kiem: "Hanoi Port Surpasses October Cargo Handling Plan by 10 Percent"]

[Text] In the fourth quarter of this year, the Hanoi Port must accomplish the plan for handling 170,000 tons of through cargo. Recording achievements to celebrate the 70th anniversary of the October Revolution, the port has actively overcome a number of long-term weak links from previous quarters such as frequently malfunctioning transportation and cargo handling equipment. At the same time, it has revamped shipping and receiving. As a result, the unloading of sugar has on average increased 20 tons per shift, soda has increased 40 tons per shift, and iron and steel have increased 150 tons per shift. Some shifts for the entire port have increased over 300 tons compared with the norm.

The time equipment groups spend waiting to handle cargo at the Hanoi Port has dropped. Motorized barges frequently enter piers to handle cargo immediately, and the 200-ton capacity type has reduced the waiting time over a day compared with the norm. Handling of packaged cargo during October was more than the previous month for 41 shifts. To ensure assigned output, the Hanoi Port is also maintaining and stepping up the loading of coal at the Pha Lai and Duc Giang piers.

For October, the result was that the Hanoi Port passed 59,000 tons of cargo through, attaining 110 percent of the plan. This includes 36,600 tons of coal of various types, exceeding the norm by 22 percent.

The port has prepared cargo handling forces to attain a norm of 3,000 tons throughput per day during November, 1,000 tons higher than the level accomplished each day in October.

6915

**Cement Production, Precious Metals Sales Advance**

*42090094a Hanoi NHAN DAN in Vietnamese*  
23 Dec 87 p 1

[Text] Two cement plants, Hoang Thach and Ha Tien of the Confederation of Cement Enterprises, finished the 1987 production plan 10 to 15 days ahead of schedule, and in the remaining days, have agreed to produce an additional 50,000 tons of cement.

During 1987, the Ha Tien Cement Combine was assigned a production plan of 260,000 tons of cement, including 70,000 tons of low-heat loss P400, to supply the Tri An hydroelectric project, and to introduce additional types of new products to production aimed at material and fuel conservation. The plant actively applied advanced technology and overcame difficulties in production. By 10 December, all of the plan norms assigned at the beginning of the year had been completed. During the last 20 days of the year, the plant has agreed to produce an additional 25,000 to 30,000 tons of cement from clinkers supplied by the Hoang Thach Cement Plant, assisting to increase the sources of cement for supplying the southern provinces.

On 20 December, the Hoang Thach Cement Plant completed production of 520,000 tons of cement in the 1987 plan. The plant's cadre and worker collective, creating new changes, produced 80,000 tons of P400 cement to support the Hoa Binh hydroelectric project; and a sacked P300 cement product that received a state grade 1 quality certificate and stamp. In the remaining 10 days of December, the plant has agreed to produce an additional 20,000 tons of cement.

Expansion of service, processing, repair, assaying, and renovation in the precious metals business aimed at answering the needs of the people and assisting in market management is receiving the attention of many localities. To this time, nearly 30 provinces and cities have established state facilities for precious metals service and business. The volume of gold and silver purchased and sold has compared favorably with the planned level; the cash assets of the Ho Chi Minh City Precious Metals Corporation alone have doubled.

The Central Precious Metals Corporation has actively guided and assisted local units in operations formulas, regulations, techniques, latent potential and capital, and has helped in creating an additional 50 goldsmiths for Ha Nam Ninh and Haiphong, organizing prompt and receptive price information; and is making progress toward the regulation of gold, silver and precious stone purchases and sales between localities.

The favorable initial experience of Ho Chi Minh City in organizing precious metals management, production and business and in resisting private operators from creating gold "fevers" has been disseminated to local areas for



study and consultation to assist in overcoming the deficiencies in state-operated precious metals operation of: slowly renewed patterns and appearances; little concern to the expansion of low-carat gold products; still inflexible business organization, etc.

7300

**Ha Son Binh Phosphorite Increases Crop Yields**

*42090094b Hanoi NHAN DAN in Vietnamese  
24 Dec 87 p 3*

[Text] Ha Son Binh phosphorite ore usually occurs in the form of loose and broken earth, is easy to exploit, and required only crushing to use as a field fertilizer.

The effectiveness of Ha Son Binh phosphorite has been confirmed through many tests and experiments in the fields. For rice in acid soil, marshy and phosphorous-deficient regions, the addition of phosphorite has increased initial crop yields by 10 to 25 percent over a control crop. The residual effect for the second crop was still from 9 to 15 percent; for every kilogram applied for the two crops, yields increased by .8 to 1.05 kg of paddy. The yields and residual effect of Ha Son Binh phosphorite are lower only than Van Dien potash, about the same as superphosphate, and higher than crushed apatite

After peanut crops in the alluvial soil of the Day and Bui rivers were fertilized with phosphorite, yields increased by 15 percent over a control crop. Each kilogram of fertilizer raised the peanut yield by .4 to .7 kg. The ideal amount of fertilizer was 400 to 600 kg. Yields were no lower than with other types of phosphate fertilizers. When applied to duckweed at a level of 50 kilograms per hectare, yields were only 2 to 4 percent less than superphosphate.

To increase its content of easily absorbed phosphorous, phosphorite may be composted with barnyard manure for a month to a month and a half before application.

Ha Son Binh has established a facility to process phosphate fertilizer from phosphorite, obtaining the ore from the Van Son Mine, with a designed capacity of 5,000 tons annually.

7300

**Nghia Binh Brick, Tile Enterprise Fulfills Production Requirements**

*42090094c Hanoi NHAN DAN in Vietnamese  
25 Dec 87 p 2*

[Text] By 15 October, the Pho Phong Brick and Tile Enterprise of the Nghia Binh Construction Service had fully answered the construction requirements of 5 million bricks and tiles of all kinds, attaining the planned norm for the entire year.

By economic association, the enterprise exploited a new area of raw materials in the Pho Phong 2 agricultural cooperative, overcoming obstacles in raw materials. The enterprise has also been additionally equipped with a 150-kilowatt generator, three brick presses, two tile-marking machines and many machines and pieces of equipment for raw material exploitation. Thanks to this, output has doubled and tripled over previous years. The enterprise has rationally arranged labor to work in three shifts and additional hours with additional shifts during the busy months. The method of labor norm contracts for each step has been abandoned and final product contracts have been given to production teams, units and workers with wages and awards in accordance with the quantity and quality of each product type.

7300